New light on Ambrosiano and Calvi, Page 13

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EUROPE'S BUSINESS NEWSPAPER

D 8523 B

GENERAL

Coalition presses Begin to stay

Israeli Prime Minister Mr Menahem Begin's supporters were pessimistic last night that they would succeed in persuading him to stay at his post.

At a Cabinet meeting on Sunday Mr Begin, who has been Prime Minister since 1977, said he planned to resign, but after meeting leaders of parties which are members of his governing coalition he agreed yesterday to delay his decision until this morning. Page 14

Hostages ordeal

Seventeen hostages, faced a third night on their hijacked aircraft at Tehran airport last night as talks continued between the Iranian Foreign Ministry and the Lebanese hijackers who have threatened to blow the aircraft up tonight unless France stops military aid to Lebanon, Chad and Irac.

EEC ministers meet

Thirty senior European Economic Community ministers start intensive negotiations in Brussels today aimed at saving the community from bankruptcy. Page 14

Leakage leak

Sir Robert Armstrong, the British Cabinet Secretary, is urging senior civil servants to take action to prevent further leaks of confidential government documents, according to a leaked copy of his letter. Page 6

OECD post

Prof David Henderson of University College, London, is expected to take over the sensitive job as head of economics and statistics at the Organisation for Economic Cooperation and Development. Page 14

Pakistani injuries

At least 28 people were injured when a hand grenade was thrown into a crowd gathered for an opposition demonstration in a working class suburb of Karachi. Four Bhutto family members held, Page 3

Chilean progress

General Pinochet's regime has lift ed the state of emergency in effect in Chile since the 1973 military coup. Page 2

Arms offer reaction West Germany said it was "unac-

ceptable" that no new U.S. weapons should be deployed in Europe in return for only a reduction offered by Soviet leader Mr Yuri Andropov. Page 2

Polish unions 'boost'

Polish authorities are using the third anniversary of the start of Solidarity as an occasion to promote unions established to replace the banned movement after the military takeover.

Nuclear criticism

Leaders of Pacific countries meet ing in Canberra called on France to stop nuclear testing and speed independence for the French island of New Caledonia.

High crop seized

Police in the Irish Republic confis cated nearly 700 cannabis plants growing in a mountainside forest clearing near Gort, County Galway.

Briefly ...

Pakistan's president Zia arrived in Turkey for a six-day official visit. Christina Onassis, the shipping heiress was questioned by customs officials for three hours before being FT Surveys allowed to leave Greece.

after a concert in Gijon, northern man Banking survey in Section III riod of 1982 – based on a 25 per cent year before. Long-term debt had half, including those for leased spain.

Spain today.

- World Guide 11

Ill though, tellegillibilig, & Attlantant M . Abl & sevented then been second to

BUSINESS

Honda to cut back sales target

• HONDA MOTOR, the world's largest motorcycle maker, is to cut its sales target 19.5 per cent to 3.1m units for the year to the end of February 1984. Page 16

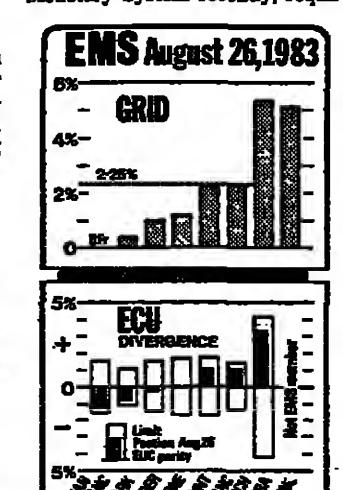
• DOLLAR stayed firm on European exchanges after a surge in New York on Friday prompted by news of a smaller than expected fall in the U.S. money supply. It was fixed in Frankfurt at DM 2.6803, below the New York close of DM 2.588, but two piennigs above Friday's fix of DM 2.658. Page 26

dex closed 2.04 up at 1194.11. Page 20. Full share listings, Pages 18-20 • TOKYO: the Nikkei Dow index was up at 9172.54 (9145.54). The Stock Exchange index was 677.9 (677.69). Report and leading prices,

 GOLD September Comex settlement in New York was \$417.80 (\$419.80).

LONDON was closed for a public

• THE BELGIAN franc has been under pressure in the European Monetary System recently, requir-



ing support against the Irish punt The Belgian National Bank report ed sales of the equivalent of BF1 1.9bn in dollars in the previous week as the franc touched its floor against the punt, but by the end of last week the French franc had replaced the punt as the strongest currency within normal trading bands, although the lira remained the strongest unit overall. Movements within the EMS were fairly limited, however, by the foreign exchanges' concentration on the dol lar, which did not fall sharply against the D-Mark despite better U.S. M1 money supply figures.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 24 per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of Eu-

• U.S. trade deficit widened \$6.36bn in July from \$4.96bn in June, putting it on target for record 570bn for year against previous peak of \$42.7bn in 1982.

• WEST GERMAN annual rate of consumer price inflation rose to 3 per cent in the month to mid-August from 2.5 per cent the previous

• EXCLUSIVE FISHING zone 12 miles off the Dutch coast will come into force on October 1, implementing a European community fishery ministers' decision earlier this year.

topean currencies.

 A full list of FT surveys to be Soviet violinist Boris Korsakow published to the end of the year ap- months was \$29.2m - compared Soviet violinist Boris Korsakow published to the end of the year apmonths was \$29.2m — compared At July 31, the group's total assets The parent company's new orders was found dead in his hotel room pears on Page IX of the West Gerwith \$112.7m in the comparable pewere \$1.7bn, down from \$2.35bn a from the Italian market in the first

BIS loan respite as debt crunch nears for Brazil

BY OUR FOREIGN AND FINANCIAL STAFF

The Bank for International Settlements (BIS) has moved to help Brazil through its acute balance of payments crisis by announcing that it will not "for the time being" require the country to repay a \$406m loan falling due tomorrow.

ress made in negotiations between balance sheets. the International Monetary Fund and the Brazilian authorities and the improved prospects for a resumption of disbursements to Bra-• WALL STREET; Dow Jones in- zil under the IMFs loan pro-

> This is the first official comment from any Western monetary authority on the secret negotiations between Brazil and the IMF on the terms of a new economic programme to act as the basis for a multi-billion dollar debt rescue

Endorsement by Mr Jacques de Larosière, managing director of the IMF, of a new programme is now

As Brazil entered a crucial fort- it is the only way forward in eliminight in efforts to avert default on nating some \$2bn in payments arits \$90bn foreign debt, the BIS, rears accumulated by Brazil For which together with Saudi Arabia many U.S. banks, payments are leut the country \$1.45bn in emer- now so late that they are threatgency bridging finance last winter, ened with having to classify loans said its decision was based on prog- to the country separately in their

> Mr de Larosière is understood to be still awaiting the formal letter of intent from Brazil on its economic policy plans. Only when this letter is received and endorsed by him can Brazil's request for a resumption of lending go to the IMF's Executive Board, a process that could take several weeks.

Meanwhile. Brazil's commercial bank creditors are to meet again in New York on Thursday as talks continue on a programme to provide new loans of up to \$10bn and reschedule debt falling due next vear as part of an elaborate rescue seen as urgently needed by the in- package. Brazil's first efforts to get ternational banking community, as out of debt difficulty foundered in

May when it failed to meet the stringent IMF economic performance criteria.

Even now bankers fear that a key

part of the new programme, designed to cut real wages by 20 per cent by reducing workers, compensation for inflation, may prove unpalatable to Brazilian public onin-

President Joso Figueiredo, on reassuming office last Friday after a heart operation, lent powerful support to the growing number of leading business and political figures calling for a tougher, more nationalist line towards the IMF and the Western banks.

"We shall not accept impositions which imply the abdication of our sovereignty," he said.

Continued on Page 14 Editorial Comment. Page 12: General Motors do Brazil deal. Page 4

abandon hope of early pact

BY PETER MONTAGNON IN LONDON

VENEZUELA and the International no longer discussing a 1983 agree-Monetary Fund (IMF) have aban-ment with the IMF and hope to doned efforts to reach an agreement this year on austerity mea- starting early next year." He added \$18.4bn in foreign debt, maturing with commercial bank creditors by this year and next.

The decision seems bound to delay completion of the rescheduling agreement which has been under discussion for nearly six months. Throughout the talks commercial bank creditors have insisted on the adoption of an IMF programme by Venezuela as a key condition of any extension of debt maturities.

But Venezuela, which faces a general election in early December, has balked at the terms sought by the IMF for release of up to \$1.1bn from its Compensatory Financing

In particular, the Government of President Luis Herrera Campins has resisted IMF demands for an end to the country's three-tier exchange rate system and an effective devaluation of the Bolivar. In the free market, the Bolivar currently stands at about 13 to the U.S. dollar.

Confirming the decision to abandon efforts to reach agreement with the IMF before the elections. Sr Arturo Sosa, the country's Finance Minister, said in Caracas: "We are

BY NORA BOUSTANY IN BEIRUT

TWO U.S. Marines were killed and

seven injured when fierce gunbat-

and Mosiem Shifte militias en-

The Marines retaliated with

shellfire and a rocket from a heli-

copter gunship to stop the fighting,

the worst battles in Beirut since the

Mr Amin Gemavel, the Lebanese

President, ordered the army to sus-

Lebanon could be on the brink of a

At least 20 people, including three

Lebanese soldiers were killed in the

fighting and more than 60 wounded.

One Italian soldier in the peace-

As the battle-weary capital re-

sounded to the noise of mortars and

keeping force was also wounded.

Israeli invasion last year.

return to all-out civil war.

gulfed Beirut airport yesterday.

Marines killed in

ties between the Lebanese army Television screens broadcast a pic

gunfire, 200 Shiite militiamen took sued appeals for blood donations.

Beirut fighting

December. The advisory committee of commercial bank creditors, which is chaired by Chase Manhattan, will meet today in New York to discuss the latest development. But the meeting will not be attended by any Venezuelan officials and is not surrounded by a major crisis atmosphere because Venezuela's move had been expected for some time. 'It's more of a disappointment than a shock," commented one senior

banker yesterday. At the very least, bank creditors are expected soon to agree to a further extension of Venezuela's current temporary freeze on repayments of principal when it expires of 1041% on Wednesday of last at the end of September. The country's reserves of \$10.3bn are simply insufficient to allow it to repay all its maturing debt.

In return, however, banks are likely to redouble their efforts to persuade Venezuela to eliminate arrears on interest payments. These Continued on Page 14

over a state television station, de-

manding that their views be aired

ture of the Shiite militia founder.

Imam Musa Sadr, who disappeared

As traffic in West Beirut slowed

Despite the Government call to

halt military operations, sniping and skirmishes continued and at-

tacks were reported against army

positions. Shells landed in East Bei-

rut and hospitals in both sectors is-

formed for bread and petrol.

five years ago. -

U.S. bond prices fall but rate fears recede

By Paul Taylor in New York

U.S. BOND prices fell again in New York yesterday, although there were signs that market concerns about the immediate prospects for short-term U.S. interest rates and Federal Reserve Board monetary policy were abating.

In the credit markets, where a disappointingly small \$200m decline in M1, the basic U.S. money supply measure, announced late on Friday, prompted a wave of selling, trading yesterday was said to be considerably calmer and prices recovered some of their early losses. After falling % of a point in late trading on Friday, the Treasury

long bond was being quoted at around 1012/2 at the close yesterday, a further decline of about % of a point The price decline yesterday was blamed on a further bout of profittaking which has pushed the price of the long bond down from a peak

bond is yielding around 11.78 per cent compared to 11.53 per cent in the middle of last week. Nevertheless, there was a widespread feeling in the markets yesterday that the recent downwards correction in bond prices had been

week. At the current price the long

Most market analysts appear to believe that the Fed's policy-making Open Market Committee, which met last week, probably reaffirmed its current monetary stance. The minutes of the previous FOMC meeting in July, which were pubfished late on Friday, confirmed that the committee authorised a further slight tightening in monetary policy at that meeting.

They also noted that despite the disappointment over the latest figures, the \$200m decline to \$516.9bn leaves MI only just above the Fed's 5 to 9 per cent target range from the second quarter to the fourth quarter of 1983 and that the two wider money supply measures, M2 and M3, reto a trickle, Shifte militiamen in main comfortably within their tarhoods and masks, accompanied by. gets.

Druze fighters from the Progress- Reflecting this view, short-term ive Socialist Party, set up check- U.S. interest rates eased yesterday. points in mainly Moslem neigh- With the Fed funds rate at the 9% bourhoods and blocked the only level the Treasury three-month bill crossings into the eastern, Chris- rate was around 9.24 at the close tian half of the capital Long quenes | compared with 9.30 per cent late on

The easing in short-term rates helped equity prices pull back in New York from earlier sharp falls in the lowest trading volume this

Wall Street and other reports. Page 20; U.S. prices, Pages 18-28

Missile manufacturers bid for UK navy deal

BY BRIDGET BLOOM DEFENCE CORRESPONDENT, IN LONDON

tween U.S., British and European arms manufacturers to supply the British navy with advanced new anti-ship missiles.

The UK Ministry of Defence has asked five companies to submit proposals to supply sea-skimming missiles for deployment on Royal Navy frigates in the late 1980s and early be worth several hundred million

The competing companies are British Aerospace Dynamics Group, with a new version of Sea Eagle; the U.S. McDonnell Douglas, with a ship-launched version of Harpoon; Aerospatiale's Exocet, the Franco-Italian combination Oto Melara which produces the Otomat missile: and a Matra missile.

Mr Michael Heseltine, the Defence Secretary, will face tough political and defence problems as he tries to decide between the rival systems. Many of the issues involved are similar to those raised in the recent controversy over the Royal Air Force's anti-radar missile tion.

A MAJOR contest is developing be- which was finally settled by the

chosen in preference to the U.S. missile Harm at the end of July. been the retention of key technology in the UK, despite the RAF's preference for the U.S. weapon.

Very few details of the rival offers are currently available, though this may change soon, for the companies concerned show signs of waging the sort of public battle for the contract that characterised the Harm/Alarm affair. It seems certain that the U.S. and European companies will offer eith-

er offset arrangements or direct involvement for British companies in producing the missiles. But only BAe's missile would be wholly British developed. It is possible too, as with Alarm, that a British solution would bring more employment. In however, in another direct parallel with the Harm/Alarm situation, the British sea skimming mis-

Mr Victor Rice, the group's chair-

man and chief executive, said the

any certainty when recovery in its

major markets would come, but it

saw signs which might lead to a

combine harvesters in all its main

jitters on debt 3 Survey Section III

markets.

The BAe missile, known hitherto only as P5T, would be based on its The British Alarm system was air-launched Sea Eagle, which will probably go into production next year. The Ministry of Defence and The deciding factor appears to have BAe signed a £200m (\$300m) contract for the air-launched version 18

> Of the P5Ts rivals, the best known is Exocet, which in its airfor the destruction of at least two British ships in the Falklands conflict. But the U.S. Harpoon, produced in several versions, is in service with the U.S. Navy and has been bought by 13 other navies. The submarine version is deployed with the Royal Navy, which also has Exocet on certain frigates.

Sea-skimming missiles are designed to be launched from frigates or other fighting ships and to hit enemy surface ships. The rival missiles work similarly, in that in the ast moments of flight they descend to within a few feet of the sea's sur face in an effort to avoid the enemy sile has not yet been developed, ship's radar-dependent defences. with its main rivals are in produc-

Continued on Page 14

Massey-Ferguson cuts first-half loss

BY NICHOLAS HIRST IN TORONTO

MASSEY-FERGUSON, the hardpressed Toronto-based agricultural equipment manufacturer, which in company could still not predict with April agreed on a \$520m rescue package with its lenders, reduced its net loss in the three months to July 31 to \$11.3m compared with a net loss of \$87m in the corresponding quarter last year. Massey reports its results in U.S. dollars.

The improvement was achieved despite a continuing worldwide depression in agricultural machinery sales. Massey's sales for the quarter were down 23 per cent at \$401m; farm and industrial machinery sales fell 20 per cent to \$338m, while sales of Perkins diesel engines slumped 34 per cent to \$63m. The Perkins diesel division, however,

operated at better than break-even The pet loss for the first six

sales show **12%** rise

costs were having their desired ef- The parent company's net revenue climbed 19 per cent to L861bn.

the first half. Olivetti said.

Olivetti

By Rupert Comwell in Rome OLIVETTI, the leading Italian electronics and office equipment manufacturer, yesterday reported a rise in first half sales of 12 per cent at pick-up in 1984. Efforts to pare back group level to L1.636bn (\$1.04bn).

The group also announced that "Quite clearly, we are now seeing Sig Carlo de Benedetti, chief execuncreased benefits from the actions tive and deputy chairman, is stepwe have taken to reduce our cost ping up to replace Sig Bruno Visenstructure to a level appropriate to tini as chairman of the board. He the low industry sales." Mr Rice will retain his other positions. Sign Visentini yesterday resigned as both chairman and director follow-While industry sales continued to ing his appointment as Finance Minister in the new Italian Governdecline during the six months, Massey claimed an increase in its retail market share of both tractors and

The figures show a further increase in operating margins during

N.D.M.C. Diamond Mine Yen Freetown Yengema

Blackwood Hodge helping Sierra Leone export diamonds

Equipment supplied and serviced by Blackwood Hodge Freetown includes:— TEREX: TS 14 Scripers R25 (25 ton) Rear Dumps R35 (35 ton) Rear Dumps 82-30 and 82-40 Crawler Tractors and CHAMPION model 720 Motor Graders.

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Bonn sees Soviet offer as step in right direction

French systems, mainly

submarine-based, were not

directly comparable to Soviet

missiles like the 22-20, each

French weapoury was under

national control and could not

be taken as a substitute for U.S.

missiles, deployed in Europe by

On the positive side, Bonn

welcomed Moscow's readiness to

achieve "a real reduction" in

Bonn also took Mr Andropov's

statement as a sign that the

Soviet Union was at last ready

to admit its superiority in

the intermediate-range nuclear

field. So far, it had sought to

ciaim there was rough parity.

Helmut Kohl sald he felt there

was still a chance of accord this

autumn at the Geneva negotia-

tions which resume next week.

But he warned that Bonn would

go ahead with deployment of

U.S. missiles from the end of

Last Friday.

the year if talks failed.

Chancellor

missiles by destroying some.

joint Nato decision.

Moreover, the British and

with three nuclear warheads.

BY JONATHAN CARR IN BONN

WEST GERMANY has firmly rejected one key element of the latest nuclear arms control offer made by Mr Yuri Andropov. the Soviet leader. But Bonn feels some parts of the plan, which could entail the scrapping of some Soviet missiles, marking a step in the right direction.

The Government spokesman yesterday gave an unusually detailed reaction to Mr Audropov's offer, which comes shortly before resumption of Soviet-U.S. arms negotiations in Geneva. The spokesman said it was

'unacceptable" that no new U.S. weapons-Pershing 2 and cruise missiles—be deployed in Europe in return for only a cutback on the Soviet side. He noted that this was what one part of the Andropov plan amounted to. The Soviet leader had pledged Moscow would cut the number of its intermediaterange nuclear weapons in Euro-

deployment plans. The spokesman emphasised take the first of 464 Cruise the West's view that the British missiles in the same month.

pean Russia to a level matching

that of the British and French

nuclear forces. But the U.S.

Arabs warn Kohl on **Israel visit**

ARAB STATES have issued a sharp warning to Chancellor Helmut Kohl of West Germany who is due to start an official visit to Israel to-

joint declaration yesterday. Arab ambassadors here said they would watch the trip carefully. They hoped it would not upset Arab-German ties.

The ambassadors made

clear they would treat any

fulfilment by Bonn of financial demands by Tel Aviv as "support for Israel's policy of occupation, aggression and expansion against the Arabs." The statement claimed that Israel had followed a "policy of blaickmail" towards Bonn based on a German guilt complex. But this policy could no longer be accepted, "since Israel continually uses methods similar to those of the Nazis against the Arab population in the occupied territories." the ambassadors

The declaration was issued uncertainty about whether Herr Kohl's visit, the first by a Bonn Government leader to Israel for a decade. would in fact go ahead.

Preparations have long The first of 108 Pershing 2 been underway but plans were missiles are due for deploythrown into confusion by the would have to give up its ment in West Germany in weekend announcement of the December while the UK is to Israeli Prime Minister. Mr Menahem Begin, that he wanted to resign.

The mounting problems that are prompting Begin to step down

The state of the

economy grows worse

by the month and a

divided cabinet has

resignation may make these

even more difficult to carry out

and the Treasury is worried

about the fate of the new econo-

found it hard to

agree on cuts.

BY PATRICK COCKBURN IN JERUSALEM

pressing him to remain Prime Minister is a measure of the primacy he has established within both since he came to power in 1977.

Mr Begin has always liked drama and surprise, and the timing of his announcement of his impending resignation had both. Cabinet colleagues who were sniping at him up to last week are aghast at the imminence of his departure.

His decision is unlikely to be simply a way of concentrating his Government's mind and dishing his enemies.

Leaving aside the death of his wife, old age and exhaustion, Mr Begin has several good reasons for stepping aside now. The inconclusive and messy consequences of Israel's invasion of Lebanon are far different from his hopes. Polls show that a sizeable majority of Israelis consider it a mistake ever to have advanced as far

Keeping an army in Lebanon is a financial drain and reserve duty is unpopular, all the more so because of the steady trickle sequences of the failure of Mr cently said it was "impracticof casualties. The number of Yoram Aridor, the Finance able" for the settlements to be dead now total 518 and even a Minister, to stem the decline in dismantled. withdrawal to better positions the economy was symbolised by along the Awali River north of the prolonged doctors' strike confirmed today, attention will

The second secon

THE VIGOUR with which mem- attacks. The Israeli-Lebanese ment took legal action against bers of Mr Menahem Begin's agreement signed last May is the doctors, and they, in turn, Government and party are still a dead letter, since the went on hunger strike, some Syrians refuse to withdraw. fainting dramatically as they tended their patients.

> On top of all this, Mr Begin affairs as much as the Lebanese invasion which has weakened has been leading an increasingly disunited cabinet. Mr Aharon the credibility of Mr Begin and his Government. The state of Uzam, Labour and Social Affairs Minister, last Friday described the economy grows worse by the the weekly cabinet session as month and the cabinet has 'chaotic." "There was nobody found it difficult to agree on in charge," he said. No clear economic policy has been

. It is hardly surprising that Mr Begin's many enemies will be quick to acuse him of opting out of a mess of his own creation. On the other hand, he can claim that some of the most serious dangers of his policy have been avoided. The "Reagan plan," an-

settlements on the West Bank tinians there and in Gaza. This was perhaps the greatest threat to Mr Begin's vision of "Greater Isreal" during his years in office and he has repelled it successfully. Mr George Shultz, The social and political con- the U.S. Secretary of State, re-

If Mr Begin's resignation is Sidon will not end guerrilla earlier this year. The Govern- turn to his replacement. The



Mr Begin . . . the choice of a successor as Prime Minister is a narrow one.

field is narrower than seemed likely a year ago. Mr Ariel Sharon, the former Defence for holidays. Minister, has not recovered from the effect of his condemnation by the official report on encouraged that an order the Chatilla massacre: The state recovery seems to be under nounced almost exactly a year of the economy seems to rule | way." However, he pointed out ago, demanded an end to Israeli out Mr Aridor, while Mr Moshe | that \$170m in monthly orders is Arens, the Defence Minister, is still only "about half what we not in Parliament and cannot, need for a healthy industry." therefore, become Prime Minister.

Foreign Minister, are the most per cent on a year ago and 40 serious candidates. Both are per cent below the June, level. somewhat lacklustre figures The industry's order backlog Sharon. But, after the events of a 46 per cent decline over July the past year, they may be what | 1982, but slightly higher than most Israelis want.

Machine-tool orders up 19% in U.S.

U.S.: MANUFACTURERS are

starting to order more equipproviding recovery and a much needed boost for the extremely depressed machine-tool industry. Such orders increased by 19 per cent in July to \$173.4m (f115m) from June and were 63 per cent higher than the very low level in July last year. according to figures from the Machine National Builders' Association.

Machine tool orders are a sensitive and closely watched barometer of economic activity and July is usually a weak month because factories close

Mr James Gray, the association's president said: "We are

continue to be depressed and Mr David Levy, the Deputy shipments in July were the Premier and Housing Minister, lowest for more than 10 years. and Mr Yitzhak Shamir, the They fell to \$109.9m down 56 compared with Mr Begin or Mr at the end of July was \$1.01bn. the \$950.5m at the end of June.

Sharp attack on Reagan

UN conference on Palestinian rights, boycotted by the U.S. and Israel opened here yesterday with a sharp attack on the Reagan peace plan by Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

In a message read by a Palestinian delegate. Mr Arafat, who is not present. said Mr Reagan's initiative "complicated the problem still further and undermined the cause of peace."

He said Washington backed Israeli aggression and occupatien of Arab lands "in defiance of General Assembly resolutions.**-The conference, with dele-

the U.S. and Itrael was inaugurated by Sr Javier Perez de Cuellar, the UN Secretary General. Washington said that the

world body was exploited for an "ill-considered purpose which does possing for the cause of peace or indeed the Palestinian people."

The conference's purpose "to provide political benefits to the PLO and furnish it with a platform for one-sided judgments about the Arab-Israell controversy, the U.S. statement said. Two days ago, Mr Reagan sald his year-old plan calling

for Israeli withdrawal from occupied Arab land, coupled with the creation of a Palestinan entity associated with Jordan, was "the only realistic basis for a solution" in the Middle East, Israel said earlier the 10day meeting would be an exercise in fatility and the

\$6m it will cost the UN would be money squandered. Much of Geneva was turned into an armed camp for the conference. While belicopters swooped overhead, Swiss troops manned sandbagged machine-gun emplacements around the Palais des Nations, the UN's European headquarters and site of the

conference. The building was defended by armoured personnel carriers and three miles of barbed wire.

At Geneva airport, military vehicles are stationed along the runway and soldiers with submachine guns watch the airline parking area. Reuter

phone strike in the U.S. for 12 years ended yesterday as the

625,000 workforce of American Telephone and Telegraph (AT&T) went back to work after 21 days. The three unions involved the 500,000-strong Communications Workers of America (CWA), the International Brotherhood of Electrical Workers and the Telecommunica-

tions International Union-

agreed a three-year national

settlement just over a week ago

but a return-to-work was delayed until the 34 bargaining units had settled several subsidiary local contract issues. Members still have to ratify the contracts before October 8 but union leaders expect no

difficulty. .-The strike came at a difficult sell his operating telephone companies in January. The duestion of job security shead of the break up of the Bell Telephone System, as it is known, was high on the union

The settlement will increase wages by an average 16.4 per cent over the life of the contract and cost an estimated \$3br

The public was little affected by the stoppage since most calls are made by automatic dialling.

Pinochet ends

By Mary Helen Spooner in

GENERAL Agosto Pinochet's regime has lifted a state of emergency in effect in Chile since the 1973 military coup. The move follows last week's meeting between the regime's new civilian Interior Minister, Sr Sergio Jarpa, and five opposi-tion leaders, who had listed the end of the state of emergency among their demands.

The most noticeable effect of the regime's decision has been the ending of the nightly curfew imposed by military authorities. The restricted movement by vehicles from 2 am to 5.30 am on week-

day nights. The Pinochet regime has also authorised the return of over 2,000 Chilean exiles over the past fortnight, including former officials of the late socialist President, Sr Salvador Allende's government

Spain counts costs of severe floods in Bilbao BY DAVID WHITE IN MADRID

AUTHORITIES IN the heavilypopulated Bilbao region yesterday began to count the cost to
industrial stocks, personal property and communications after
catastrophic floods which have
claimed at least 27 lives claimed at least 37 lives.

The floods, caused by torrential rains along the northern

coast of Spain and the south-west corner of France, hit much of the Basque country, part of Cantabria and the north of Burgos province, inundating the centre of Bilbao and cutting off

armed forces have been mobilised since Friday to combat acute local shortages of food, drinking water and electricity, and prevent shops from being King Juan Carlos and Prime Minister Felipe Gonzalez both

visited the flood region during the weekend. The cabinet is due tomorrow to consider a request from the

U.S. subscription rates \$420.00 per annum Second class postage paid at New York, N.Y. and at additional making contrest POSTMAS-

As clean-up and reconstruction work started yesterday, the

damage to stocks alone—includ-

ing steel awaiting shipment at Altos Hornos de Vizcaya—was

estimated at several hundred

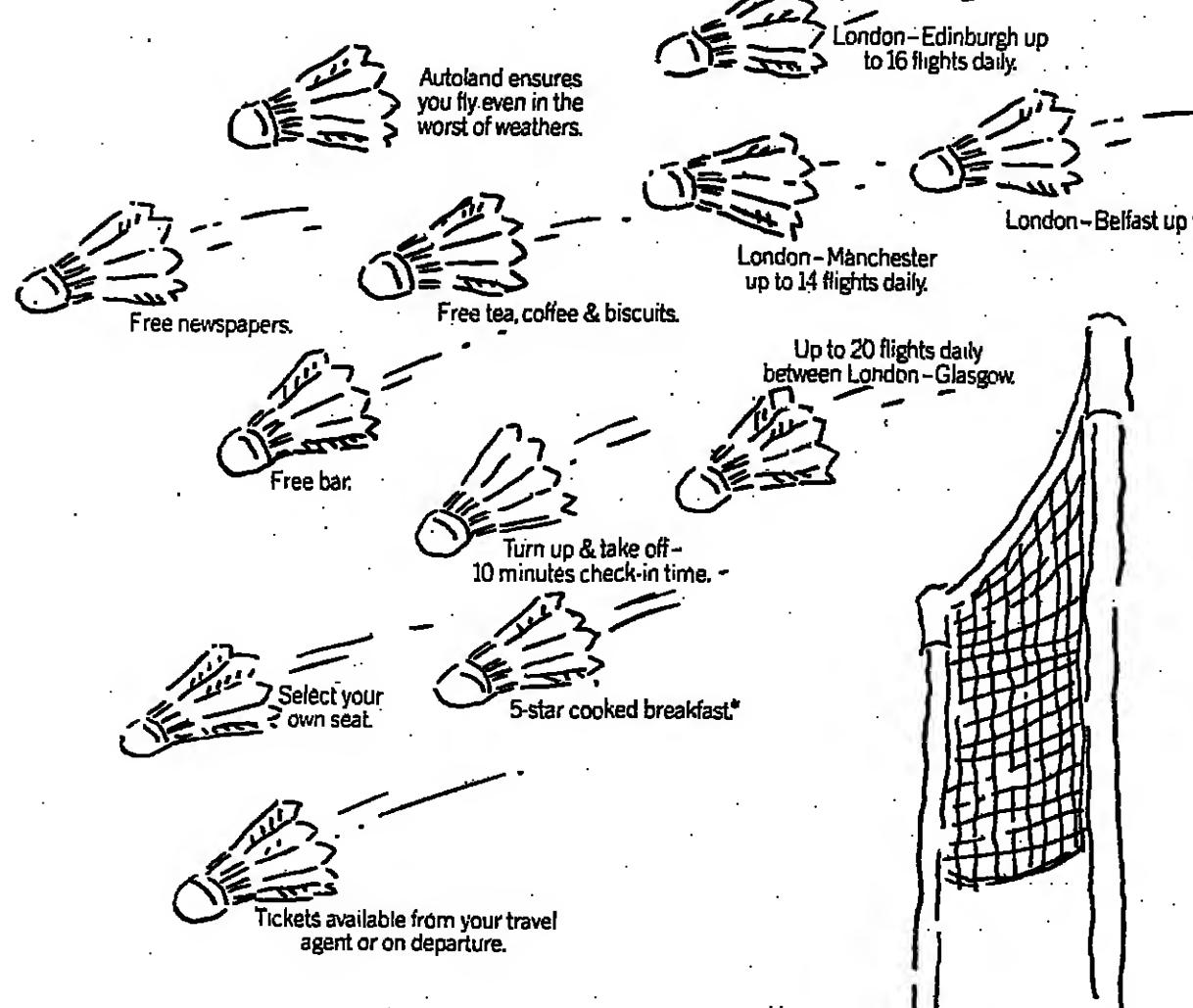
Ironically, the downpours in the north and in Catalonia and

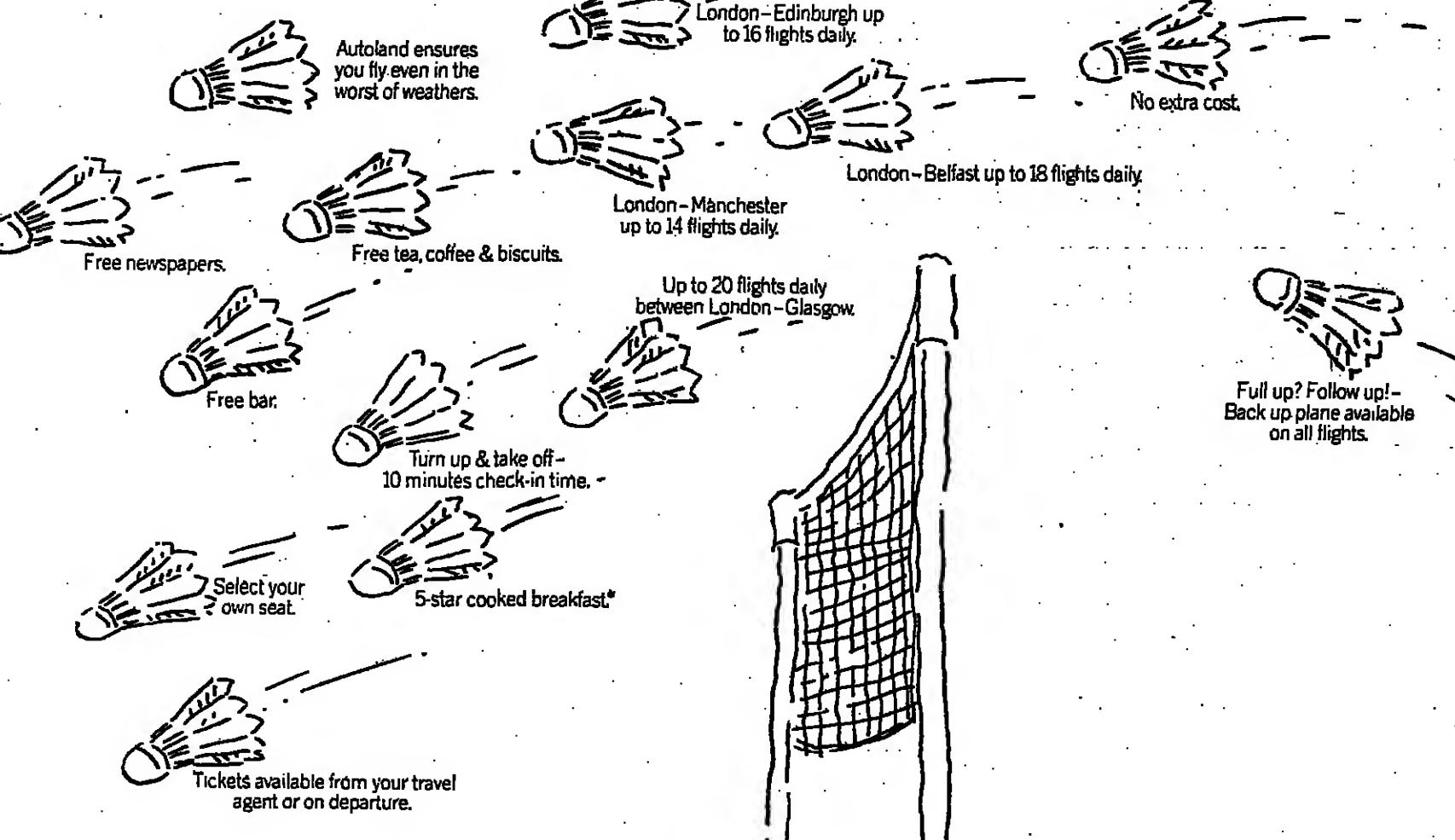
Mallorca have come as much

of Spain is suffering from a pro-

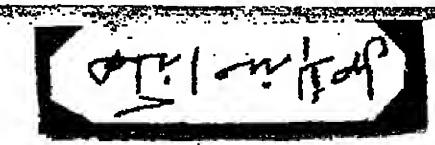
longed drought, after three years during which reservoir

levels have been propressively





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Fresh ethnic violence erupted

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MANUFACTURERS

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is president said. The couraged that an arranged that an arranged that are the power of the said. t \$170m in monthly or d for a healthy industry Sport orders make time to be depression of single to be depression of single than the cent on a year make cent on a year and a cent on a year and a year and a large and a l

AT&T Works end strike ly William Hall in Mark E FIRST national,

ore strike in the USb

irs ended vestering and include workforce of Aug. lephone and leg-T&T) went back by: er 21 days. The three unions into . 590 CHAISTONE COME ns Workers of and WA), the Interes otherhood of Electricals rs and the Telement rs international lar. reed a three-rear to tlement just meranti t a Petura-lo-uni layed until the 31 box ILS had senied seed? hary local comments. Members still have an e contracts before Out. t union leaders ensi:

Reusty. The strike came at 182 ne for ATLT, which is: ii its operating which mpanies in lamin : restron of job securities the break up of the dephone System & I 10WE, was high on the ends. The settlement will be anes by an average list act and cost an estimate The public was like in . The stopped sing mit

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Pinochet ent emergency M By Mary Helen Spooner's Sanziago FNERAL Agosto Part nergency in also at

iceting between the the r Sergio Jarpa, and fre on iceders, who had be nd of the state of one ine): demands Most moderable Can the angue of the imposed .

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Concern grows over Philippines debt in wake of killing

BY EMILIA TAGAZA IN MANILA

THE ASSASSINATION Mr. Benigno Aquino, the Philippines leading opposition leader, has sent nervous chilis through the banking community in the Philippines. The mysterious circumstances

surrounding the slaying, and widespress speculation about President Ferdinand Marcos' health have heightened political uncertainty in the country; foreign bankers are seriously concerned with their exposure so that the prospect of a rescheduling of the country's debt looms large.

Economics officials have been hard pressed to reduce the chronic balance of payments deficit, which they hoped to cut "Economic formoil, in turn, year's record \$1.1bn.

Some bankers are understood to have advised their parent companies to put the hope that in the event of a freeze on new.

The major anxiety now is how firmly is the President in control of events. This has been fuelled by speculation on his health After Mr Aquino's death Mr Marcos, with his wife and full cabinet, went on live television, but both local and foreign viewers were stunned by his weak physical appearance. Mr Marces is understood to be suffering a kidney all-

said it would be unwise for last year, up 27 per cent from banks to freeze new loans pre- 1981, Although external debts cisely at this time. If no fresh have reached a record level. funds were injected to refinance they, have been prudently for reconciliation maturing loans, the Philippines managed and the country has could be forced to re-schedule not defaulted on any loan.

Mr Gabriel Slagson, . the Philippines Central Bank deputy governor has assured depositors that national banks have sufficient funds to meet withdrawals and said it would assist any that had difficul-ties in meeting demands, Reutet reports from Manila. He also said in a statement the Central Bank, cash department. "will remain open even after regular banking hours to provide any bank with its cash requirement

those loans. Such a move could could be politically explosive, he said.

for servicing withdrawals."

The bankers unanimously Philippines into a higher risk change of leadership, the econocategory; others have recom- mic and debt management will remain in the hands of the same echnocrats.

The least that any new political power could do is to maintain the services of the current crop of technocrats in order to provide continunity in economic policy and to put the banks at ease," another U.S. banker said.

The Philippines, with total outstanding foreign debts running to \$18bn, is the third largest Asian borrower next to South Kerea and Indonesia. Some banks are appealing for Annual interest and amortisa-One American banker tion payments reached \$2.24bn

Shagari set for new victory

al Party of Nigeria staked out Shehu Shagari, scored sweeping a clear early lead in returns victories over the five opposifrom Saturday's elections for tion parties in three previous Federal representatives, taking general elections this month. 46 of the first 96 seats declared. Shagari was returned to a Judging from the initial re- second and-under the Nigerian turns, the government-operated Constitution final 4-year term New Nigeria newspaper said by more than 4m votes. The the National Party appears to party also won 13 of 19 state be heading for another land governorships, and, subseslide win," because it was de- quently, 55 of 85 contested monstrating strength in most Senate seats.

areas of the country.

LAGOS—The dominant Nation- The party, led by President

Singapore gold firms face closure

By Chris Sherwell in Singapore A NUMBER of Singapore's gold trading companies may have to close following a lengthy official investigation into their business practices.
Closure is believed to have

been urged by the Singapore Law Ministry, as a result of inquiries concerning 24 firms, trading in both commodities and gold. At least two of them are either full or associate members of the Gold Exchange of Singapore. . The investigations followed complaints from several clients last year which led to police raids and seizure of documents. The outcome is important because, in the view of the Singapore authorities, the scandal drew attention to the free wheeling nature of gold trading and -put at stake the city state's reputation as a safe and reliable gold trading centre.

liquidation. Investigators are helieved to have found at least five companies to be insolvent and another dozen trading at a loss. More were said to be indulging in questionable trading practices.

It remains unclear exactly

how many companies face

Mr Goh Ken Swee, deputy Premier and chairman of the Monetary Authority of Singapore (MAS) has said he wants all gold traders to join the exchange. But the Government prefers selfregulation under MAS supervision, rather than direct regulation legislation, and the exchange has proposed amendments to its trading

Chad rebels call

The Libyan-backed rebels in northern Chad called for a "sincere and definite reconcillation" of all Chadlans yesterday-including Frenchbacked President Hissene Habre. AB reports from ND lamens

The robel Radio in Bardai on the Libyan border, broadcast a communique of the rebei regime, ostensibly led by former President Goukouni Queddei. It was the rebels' first : formal response - to .a policy statement issued last week by President Francols Mitterrand of France, outlining the mission and objectives of the French task force in Chad:

Four Bhutto family members held

BY MUHAMMED AFTAB IN ISLAMABAD

PRESIDENT Zia ul-Haq of initiated by "vested interests declared on Friday that they His grave is located at demands to hold collective dis- not elaborate on who the Bhutto's grave, as part of the cussions with opposition politi- foreign masters were. campaign against the Governcel leaders to find a solution. He said the violence ment. to problems facing the country. His declaration came a day after police arrested four mem-bers of the family of executed former Prime Minister Zulfikar sli Bhutto in the southern province of Sind.

In his first comment on the civil disbedience campaign launched by an eight-party oppo-sition alliance on August 14, President Zia said: "I do not plan to hold a collective meeting with politicians because it will not promote unity." He said, however, that he would meet politicians individually.

Gen Zia alleged that the

He said the violence ment.

"indulged in by a handful of . The parties constitute the elements in some parts of Sind Movement for Restoration of province" had sharply declined Democracy (MRD), which over the last few days. The demands the country's return agitation has claimed 31 lives, to democracy. It also seeks

before a major anti-Government nation had unanimously opposition rally was to have adopted. been staged at the late leader's graveside. Mr Mushtaq ali Bhutto, a cousin of the former premier,

was among the four. Names of the others were not immediately available.

Pakistan yesterday rejected and foreign masters," He did would stage a rally at Mr

mostly through police shooting immediate parliamentary elec-of demonstrators. tions, restoration of human The arrest of the Bhutto rights and revival of the 1973 family members came hours constitution, which the Pakistani

Eleven opposition supporters were also arrested on Sunday at Naudero, near Larkana, Mr Bhutto's home town, 225 miles

The police crackdown on the in eastern Sri Lanka at the

Bhutto family and the opposi- weekend as political talks were tion in Larkana and Naudero held in Colombo aimed at was to prevent the rally from defusing tension between The civil disobedience cam- Tamil minority, Reuter reports paign coincided with a new from Colombo. political framework announced by Gen Zia on August 12, pledging parliamentary elections in 18 months time, and set houses ablaze and damaged

a gradual withdrawal of martial fishing boats in the east coast law. The opposition has re- district of Batticaloa.

jected the plan.

Gen Zia said the political spurred by the arrival of a leaders should have studied his special envoy of Indian Prime election programme and given Minister Mrs Indira Gandhi, who their comments on it. They offered to help find solutions to should have discussed all its the ethnic problem that flared north of Karachi. Mr Bhutto aspects and given their critical into violent riots last month, was hanged in April, 1979, on appreciation, but this was not Mr Liyanage said the new violence appeared to be a reaction to the failure of a strike called last week to protest at the killing of 52 Tamil

> Thousands of Sikhs storm Punjab offices

continuation of French nuclear Thousands of sikhs, brandishing swords, spears and daggers, A Government task force is stormed government offices in the Punjab yesterday to press demands for greater autonomy, garh. Police and paramilitary forces fired tear gas and plastic bullets at the demonstrators, who broke through barbed wire barricades and smashed furniture, broke windows and destroyed files inside the offices. About 70 people were reported injured in the clashes which have erupted during a campaign by the Sikhs and their political party, the Akali Dal, for political and religious

> Strike brings Assam to halt for 36 hours

Shops and offices closed yesterday throughout India's troubled north-eastern state of Assam and cars kept off the streets at the start of a 36-hour strike called by Hindu militaris, A powerful attack on mone- Reuter reports from New

The strike was called by Iglesias, executive secretary of mostly Hindu Assamese milithe Economic Commission for tants who want immigrants Latin America. He said that deported from the state. It was the region was becoming a the most serious challenge to capital exporting area and the Government since widewarned that governments found | spread violence in February and it difficult to devote to servic- March when 3,000 people died ing debt funds which might and more than 300,000 were have met urgent domestic | made homeless during elections

The opposition parties had a conspiracy-murder charge, done, he said. Violent clashes at uranium site in Australia prisoners in a Colombo jail during the riots.

BY MICHAEL THOMPSON-NOEL IN SYDNEY

ANTI-NUCLEAR demonstrators country has the world's largest BP Australia (49 per cent). The and was planning to sell more yesterday clashed with police at reserves. Roxby Downs, South Australia, barricades on an access road uranium industry," it also states near the Whenan exploration that a Labor Government

Olympic Dam, one of the sider applications for the export world's largest known mineral deposits, is thought to contain to at least 1.2m tonnes of uranium minerals," as at Olympic Dam.

export of uranium, of which the Corporation (51 per cent) and supply the world for 40 years; one another.

It also underlines the dilemma A\$1.7bn (£1bn). site of the huge Olympic Dam facing the Australian Labor copper-gold-uranium-silver dis- Party Government in Canberra. covery. Some 400 protestors Akthough official party policy involved in violent demands a "total unequivocal scuffles with 250 police after commitment to phase out forcing their way past guarded Australia's involvement in the

would be empowered to "con-

of uranium mined incidentally the mining of other Production at Olympic Dam Yesterday's violence was the is unlikely before 1990, but site Mines) to negotiate fresh export worth A\$120m, in 1981. first at the mine site and drama- evaluation and feasibility contracts; was condoning detises the growing opposition in studies are well advanced. The veloment of Olympic Dam, police, mineworkers and demon-

development cost is estimated at uranium to France, despite the Opponents of the uranium mining include the Labor Party's left wing, conservation- studying the uranium issue,

activists. Yesterday, Senator Don Chipp, leader of the Australian by his party's left wing. Democrats, bitterly criticised Government had allowed two 5,277 tonnes of uranium ores companies (Energy Resources and of Australia and Queensland A\$415m, against 1,625 tonnes. Australia to the mining and partners are Western Mining which had enough uranium to strators were still confronting

ists, and aboriginal land rights although Mr Bob Hawke, the Prime Minister, has made it Reuter reports from Chandlclear he will not be intimidated Australia has almost the Government for having quarter of the West's uranium gone back on its word" on recoverable at below U.S.\$50 per uranium mining. He said the pound. Last year it exported

testing in the South Pacific.

concentrates. At Roxby Downs last night

'Bretton Woods' call for developing world

BY OUR ISTANBUL CORRESPONDENT

FINANCIAL and monetary guidelines for the 1990s are urgently needed to resolve the introductory session which is to developing international conference organised here by development theorists and Development Pro-(UNDP) and North-South Roundtable was told yesterday.

national conference on the lines of the post-war Bretton national financial system faces Woods meeting to resolve the multilateral issues involved.

debt and resources topics in an be followed by four days of closed meetings. Politicians, economists. as and Mr Mahbub ul Hag, chairman

pankers, are taking part. Speakers called for an inter- of the North-South Roundtable, warned that the interinterlocking and apparently irreconcilable difficulties.

The meeting was discussing new order was required to was falling rapidly in real resolve debt and development terms, said Mr ul Haq. problems, he said, but warned that reaching agreement on it tarist economic policies was Delhi. will be much harder than it delivered by Sr Enrique was at Bretton Woods

> He and Mr Bradford Morse, director-general of the UNDP. spoke of the human cost of economic backwardness and of the urgent need to develop human, as well as purely economic resources. Aid to developing countries social needs.

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Flawless concert reproduction is now within reach.

The DA-800 is here. A compact disc digital audio player from a leader in the field, Hitachi.

The DA-800 utilizes an ultra-fine laser beam that "reads" compact discs (CDs) - achieving performance levels. that far outpace even the finest anelogue tumtable.

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spectacular. With the DA-800, fantasy abounds. Simply sit back in your favourite chair and close your eyes. You will feel as though you are a part of the original performance, surrounded by every nuance of crisp, clear sound.

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away. Best of all, there is nothing hidden within the sound to spoil this illusion-Analogue recording glitches such as feedback, pops, ticks, rumble, and scratches have been totally eliminated.

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Program up to 15 selections in any sequence. Repeat your favourites. Eliminate the ones that aren't

Other programming options include: 4-way Repeat, Auto DRPS, SPSS, and Manual Search.

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professional look, and its component format allows it to stack uniformly with the rest of your system. Its horizontal front. loading system glides open and shut

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Turkish port delays hit shipments for Iran and Iraq

BY OUR ANKARA CORRESPONDENT

the Black Sea and the Mediterup to two weeks before being allowed to berth and discharge

According to one Turkish shipper, congestion has reached "disastrous levels" as a result of the inability of Turkey's ports to cope with the flow of trade to Iraq and Iran which are now largely being provisioned through Turkey.

Transport companies say that recent changes in freight regulations by the Turkish Ministry of Communications have exacerdifficulties, normally attributable to bureacracy, poor infrastructure, and faulty equipment. Crane equipment in the Black Sea port of Hopa is said to be inadequate to meet demands being placed on it. Mr Asaf Guneri, the head of Zihni Ticaret, estimates that a minimum of 1m tonnes of cargo is currently being held up in Turkish ports because of slow handling. Other companies confirmed this assessment and say that delays are hurting them

ranean are reporting delays of kish Transport Ministry in for alternative routes to supply were injuring the U.S. domestic both Iran and Iraq."

number at Hopa.

Tanker rates show an overall improvement

there has been little or no

nage in position. active. with numerous fixtures concluded at higher rates for voyages to South Korea, Thailand and the East and West coasts of the U.S. A 130,000

ton carrier was fixed to the U.S. west coast at Worldscale 471. well above the low 30s prevailing not long ago.

scale 30.

SHIPPERS in Turkish ports on taken by surprise by increased charges introduced by the Tur-April. These begin at the low level of 10 cents per ton per day, but rise on a retrospective U.S., Taiwan's principal market monthly basis. "Foreign companies are paying an average of \$10-\$15 per ton because their goods are being kept in storage for more than a month," says a freight official in Trabzon. "This makes Turkey very unattractive to many of them and I believe that some are already looking

> Shortages of trucks are on the dumping charge by the largely responsible for the de- end of this year. lays on land. TIR transits have swollen from 10,000 in 1972 to Obstacles ahead nearly 250,000 last year. Turkey's limited trucking facilities Black Sea, only 100 trucks per | the first half of this year, Taiday are loaded and a similar wan's exports of finished sets

> get much worse after October the same period in 1982. Exwhen new regulations come into force which prohibit comof less than 200 tons from col-

TANKER RATES improved last 90,000 tonner being fixed from week in all areas of trading Arzew to Rotterdam at Worldexcept the Middle East where scale 60. inquiry for large size vessels

holm Coates says.

The Soviet Union's commitment to move a minimum of 9m tons of grain from the U.S. over the next five years is helpful, but owners are still looking for signs of a much needed improvement in steel produc-

In the second half shipping week the 26,743 dwt Korean-The Mediterranean market owned. 1979-built Sammi

Industry euphoria clouded by U.S. threat

Bob King in Taipei assesses the outlook for Taiwan's colour television exporters

TAIWAN'S COLOUR television because the patent-holders for already-strong competition from near Kansas City, Kansas. But colour set manufacturers among sluggish 1982, when shipments to provide local manufacturers also with rising protectionist colour sets in the U.S. of finished sets and kits dipped with the necessary licences. In- sentiment there. In addition, 23 per cent from the previous year's level to \$133m.

But manufacturers' euphoria has been dimmed considerably by charges of dumping in the for colour sets. The complaint was lodged against both Taiwan and South Korea, Taiwan's major export competitor, by the Committee to Preserve American Color Television (Compact). The U.S. International Trade Commission found in June that exports from both countries industry. It is expected to rule

Despite the charges, thet exand kits rose by nearly 80 per The problem is expected to cent to \$93m from \$52m during ports of finished sets alone nearly doubled in that period. If the recovery continues at the same rate during the second half, export sales for the year will exceed the high-water mark of \$172m set in 1981.

> Nevertheless, manufacturers of colour televisions have serious obstacles to contend with. First, whole-set exports are limited to the NTSC types used in the U.S., Japan, Korea, and a few Latin American countries. Taiwan cannot export either Pal or Secom system sets

tries such as Argentina.

Only one Taiwan company, Tatung, exports to Pal-system Tatung may only export one set for each one it sells in the

ing numbers of video cassette

recorders (VCRs) every year

from now until 1986 and

domestic sales will also rise,

Nomura Securities said in a

report on the Japanese lelec-

be 17.4m sets, a 34 per cent

increase on last year, with

In 1984 sales will total

21.8m (17.3m in exports), in

1985 total 26.6m (21m) and

in 1986 total \$1.1m (24.4m).

tinue to rank as a major

consumer purchase intention.

with nearly 60 per cent of

Nomura said VCRs con-

Sales in calendar 1983 will

tronics industry.

14.1m exported.

stead, Pal and Secom exports Taiwan's numerous but rela-facturers in Taiwan of varying are limited to completely tively small manufacturers are size vie with varying success for knocked-down (CKD) packages, at a price disadvantage with the shares of the export market and those only to certain coun- "big three" of -Korea, whose This year, most of these appear

countries, from its manufactur- manufacturers such as Tatung lished manufacturing bases within the U.S. In addition,

Strong growth forecast in VCR sales

TOKYO—Japanese electronics a purchase in the next five companies earlier this year

In other industrial coun-

tries the VCR market will

grow 20 to 38 per cent a year

in the coming three to five

Recent brisk exports to the

U.S. show earlier inventory

adjustment has now ended

and shipments out of Japan

are starting to fall behind

Nonmra said the Olympic

Games next year will stimu-

late purchases, so the strong

U.S. demand will continue for

VCR format for the NTSC

and Pal systems was agreed

at a conference of Japanese

Noting that a broad 8mm

years, it added.

demand.

some time.

lower production costs.

exports are on the road to this technology in West Ger- Japanese and South Korean to date none of these ventures recovery after an extremely many and France have refused companies in that market, but sells significant quantities of

Instead, more than 20 manustrong vertical integration offers to be concentrating on the 13inch and 19-inch sets that are In an attempt to cope, larger selling well in the U.S.

But ironically it is not the ing facility in the UK. But and Sampo moved offshore a big names in Taiwanese telecouple of years ago and estab- vision-Sampo, Tatung, Hitachi, and others—that are reaping the benefits of the pick-up in Thus, Taiwan's domestic AOC International, whose Tai- orders. In fact, according to manufacturers are mostly tied to wan facility was purchased from the Taiwan Electrical Applithe volatile NTSC market in the Admiral of the U.S. by Asian ance Manufacturers' Association U.S., and are faced not only with investors in 1979, set up a plant (Teama), which counts.

will most likely only be intre-

duced when the present half-

inch tape system market is

Plant and equipment for

making the half-inch models

has not yet been fully

depreciated, and manufac-

turers are planning to expand

Since the half-inch model

is expected to maintain its

sales momentum, manufac-

turers are unlikely to intro-

duce the 3mm system in the.

near future, especially when

so far there are no tapes

available for playing on the

system, Nomura said.

Reuter

such plants to meet the

current demand, it said.

saturated

stead, Teama says, two companies, Aoc and Orion Electric, have provided the thrust so far this year.

Aoc, for instance, through the end of July had sold 220,000 colour sets valued at \$36m, compared with 158,000 worth \$30m in all 1982. Even during hyperactive 1981, Aoc sold 185,000 sets valued at \$40m. Marketing official Mondy Hong says the company has confirmed orders in hand that will bring the \$70m. Nearly all those sets will go to the U.S., and half brand through its American affliate. Aoc International.

American tastes

Mr Hong attributes the company's marketing success both intensive research and development efforts which allow it to offer lower prices, and to exterior design catered to American tastes. In price terms, a 13-in set with rotary tuning retails in the U.S. for \$200, and a similar 19-in set for \$250. It is prices like these that

have prompted the dumping charges, which state that Taiwanese companies are seliing sets in the U.S. for as much as 57 per cent below fair market value. If the ITC decides this is true, and imposes dumping duties of only a few percentage points, Taiwan's chances of remaining competitive could be seriously eroded.

GM Brazil in \$100m Venezuela car deal

By Andrew Whitley in GENERAL MOTORS do Brasil has concluded a \$100m contract with Venezuela for the sale of 21,000 completely knocked down cars.

Over the course of next year Venezuelan importers will take delivery of 12,000 small Chevettes and 9,000 Brazilian versions of GM's world car, known here as the Monza. With this sale GM become

competitor in Venezuela to Ford, its local rival in Brazil CKD cars to Venezuela from its Sao Paulo assembly lines for several years. Ford do Brasil is pinning its future export hopes on the Escort, launched in Brazil a

few weeks ago. First exports of the Brazilianmade Escort are destined for out by the company as an export grounds that the cost of proa right-hand-drive version of the car would be

Ford bopes exports from its Brazilian subsidiary to \$450m in 1984- up from an estimated \$330m this

This year has been a disappointing one for the Brazilian vehicle exporters, especially in their traditional markets in Latin America. Total exports this year are expected to be only 31.3bn against an initial target

of \$2bm. Sierras for U.S.

Ford Motors plans to import the Sierra model car, built in Europe, into the U.S. starting in 1985. Reuter reports from Dearborn, Ford has no plans to begin importing the Telstar, built in Australia.

Toyota Ireland halt Toyota Motors said it will halt production of its small cars in Ireland on a knock-down basis

in the near future, Reuter

reports from Osaka. It will export shipments of assembled cars from Japan. German 757 orders Boeing has received an order

for two 757 aircraft from

Luftiransport - Stid of Munich

Reuter reports from Seattle.

Value of the order was \$85m.

Deliveries would begin in June.

panies with truck load capacity Freight companies have been lecting marine freight.

FINANCIAL TIMES REPORTER

and there is considerable ton-Indonesia has been extremely

Similarly, a much increased demand has enabled owners to tion. improve the rate structure out of West Africa. A 250,000 ton markets. China continues to cargo moving to the U.S. Gulf acquire handysize bulkcarrier obtained in excess of World- tonnage, having bought last

has turned up too, with a Crystal for about \$8.3m

A few modest stirrings have been reported in dry cargo markets as well, notably in the Lakes and in Australia, but the weight of laid-up tonnage and the amount of new building underway will continue to restrain any real recovery, Den-

Japanese consumers planning New Soviet car nears launch

BY LESLIE COLITT IN BERLIN

will be the first modern Soviet automobile to be produced. A Lada representative in West Germany said the new model is expected to begin arriving on Western European market in 1985 when 230,000 cars are to

be produced. Designated the Lada 2108, the

THE COUNCIL OF EUROPE

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OVER-POPULATION IN

EUROPE

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Holders of the above mentioned issue are herewith informed that the annual redemption instalment due September 15th, 1983 covering a nominal amount of Lax. Fcs. 50,000,000 has been partially satisfied by bonds repurchased in the market of an amount of Lox. Fcs. 9,900,000 and partially by drawing by lot of the remaining Lox. Fcs. 40,100,000.

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By Order of the Board,

H. J. McTurk, Secretary,

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Lexembourg. August 15th. 1985.

A LUXEMBOURG Societé Aponyme

A NEW Soviet-built Lada car, readied for production at Togli- paid to Porsche to develop the designed and engineered by attigrad by Porsche's develop- new Lada which will end Soviet Porsche, is to make its debut ment centre. The Soviet production of the more than 15late next year. A Czechoslovak assembly lines, with an annual motoring magazine has dis- capacity of 800,000 cars, are closed details of the car which equipped with industrial robots. model Flat served as the basis A drawing of the new car in the Czechoslovak magazine shows a two-door hatchback bearing a resemblance to many Western cars of this type. The rear wheel cut-out resembles

that of a new VW Polo. front-wheel-drive car is being considerable sum of money was with a 1.2 and 1.5 litre engine.

year-old Flat 124 which was built under licence. The same for the Polski Fiat built in Poland which two years ago was replaced by a new Polishdesigned car, the Polonez.

The Porsche-designed Soviet Lada could represent competition for Western cars, such as VW's Golf, Opel's Kadett and The Lada spokesman said a Ford's Escort. It is to be offered

World Economic Indicators

RETAIL PRICES

	•				previou
•	July '83	- June 83	May 83	July 82	year
JK .	249.6	248.3	247.7	239.6	4.2
W. Germany	740.5	~ 139.9	139.4	137.0	2.6
france :	229	227.2	226.0	209.4	9.5
taly	· 345.5 ·	342.1	340.7	299.8	15.2
vetberlands	157.1	156.3	- 356.7	153.1-	26
Selgium	172.1	· 170.4	169.3	160.0	. 74
	June '83	May '83	Apr. 183	June 92	
J.S.	184.9	184.3	183.3	180.2	. 24
apan	150.4	151.5	749.9	147.6	. 19

CONTRACTS & TENDERS

Announcement of the Project for Productivity Improvements of the Integrated Steel Plant at EREGLI Turkey

Announcement is hereby made of a project for "Productivity Improvements" at the integrated steel plant of EREGLI DEMIR ve CELIK FABRIKALARI T.A.S. (ERDEMIR) in KDZ, EREGLI, TURKEY. In addition to increasing production, corollary objectives of the project are to improve quality, reduce production costs and decrease energy consumption.

The productivity improvement is to be procured under International Competitive Bidding Procedures of the World Bank (LB.R.D.) which is also expected to supply project financing out of an existing loan to ERDEMIR.

The principal facilities to be so purchased and installed are the following:

- Coal Blending System: Desulphurisation Plant (Hot Metal);
- Sinter Plant Modifications:
- Burnt Lime Plant:
- 150/50 MT BOF Teeming Crane;
- Hot Scarfing Machine: BOF Ladle Refining System:

8. Hot Strip and Cold Mill Modifications. Inviation to bid on the facilities listed above will be furnished only to those firms that have previously qualified for the specific items to be purchased. Therefore, firms wishing to be so qualified should communicate in writing, in English language only, and absolutely indicate project number(s) and complete system name(s) involved one

through eight above. EREGLI DEMIR Ve CELIK FABRIKALARI T.A.Ş. Attention: SATINALMA GENEL MUDUR YARDIMCILIGI KDZ. EREGLI, TURKEY

Such communications must be received at the above address not later than October 17, 1983. Information as to the requirements for prequalification of the bidder will be forwarded to those responding to this advertisement.

AND SUPPLY COMPANY, LIMITED (Incorporated in the Republic of South Africa)

Rights issue of 10,775,582 Automatically Convertible Cumulative Preference Shares of 25 cents each to be issued at 380 cents per Convertible Preference Share.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

THE IMPERIAL COLD STORAGE

The Council of The Stock Exchange has admitted the 10,775,582 Automatically Convertible Cumulative Preference Shares in the capital of the Company to the Official List.

Particulars are available in the Extel Statistical Service and copies may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 20 September 1983 from:-

ROWE & PITMAN, City Gate House, 39-45 Finsbury Square, London EC2A 1JA. 30 August 1983

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AUSTRALIA

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NOTICE OF REDEMPTION To the Holders of

FINANCE FOR INDUSTRY INTERNATIONAL B.V. (now INVESTORS IN INDUSTRY INTERNATIONAL B.V.)

133/4 % Guaranteed Notes 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Paying Agents Agreement dated 1st October, 1980 and the Terms and Conditions of the Notes, Morgan Guaranty Trust Company of New York, as Principal Paying Agent, has selected by lot aggregate £2,700,000 principal amount of the above described Notes for redemption on 1st October, 1983; through operation of the Annual Redemption (£1,350,000) and the Optional Redemption (£1,350,000), at the principal amount thereof, together with accrued interest thereon as follows:

Outstanding Notes of £1,000 Each Bearing Serial Numbers Ending in the Following Two Digits;

34 37 42 43 55 68 72 81 89 91 92 Also Notes Bearing the Following Serial Numbers:

47 1447 2547 4347 5147 6447 7547 8847 9747 10947 12947 14347 147 1547 2747 4447 5447 6547 7747 8747 9847 11147 13147 14547 247 1647 2847 4547 5547 6647 7947 8947 10047 12047 13347 14647 547 1747 2947 4647 5647 6847 8047 9047 10147 12347 13447 14747 747 1847 2047 4747 5747 7147 8147 9247 10347 12547 13547 14947 1247 1947 3247 3247 4847 5847 7247 8347 9247 10547 12647 13947 13047 1347 2447 3747 4947 5947 7647 8347 9647 10747 12847 13947 15047 1347

Payments will be made on lat October, 1983 against surrender of Notes and/or Coupons at the main offices of Morgan Guaranty Trust Company of New York in London, Brussels and Frankfurt am Main or Banque Internationale a Luxembourg S.A. in Luxembourg. Such payments will be made in sterling at the specified office of the Paying Agent in London or, at the option of the holder, at any specified office of any Paying Agent by sterling cheque drawn on, or transfer to a sterling account maintained by the payer with a bank in London, subject in all cases to any fiscal or other laws and regulations applicable thereto.

Notes surrendered for redemption should have attached all immanured coupons appurtenant thereto. Coupons due las October, 1983 should be detached and collected in the usual manner.

From and after 1st October, 1983 interest shall cease to accrue on the Notes herein designated for redemption.

INVESTORS IN INDUSTRY INTERNATIONAL B.V.

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Principal Paying Agent

Dated: August 30, 1983

This announcement appears as a matter of record only.



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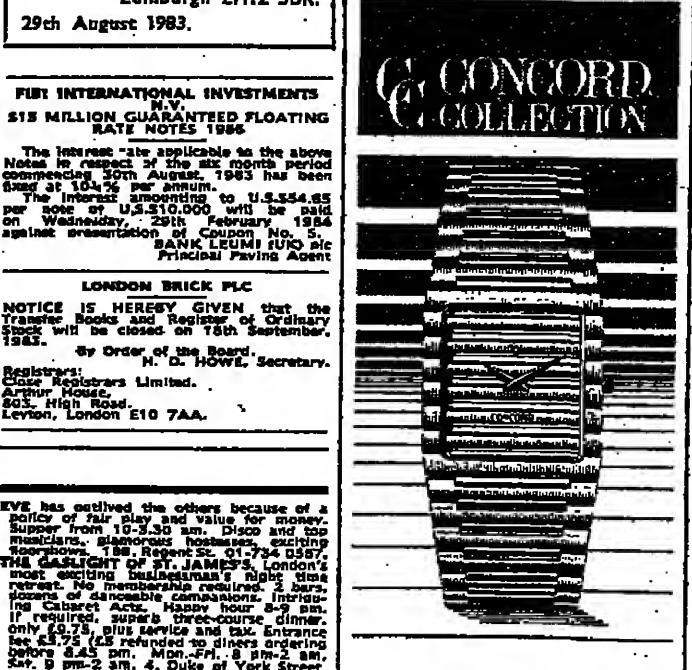
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RATE NOTES 1986 The interest "ate applicable to the above Notes in respect of the six month period commercing 30th August, 1983 has been fixed at 104% amounting to U.S.54.65 per note of U.S.510.000 will be paid on Wednesday, 29th February 1984 against presentation of Coupon No. 5. BANK LEUMI SUK) pic Principal Paving Agent LONDON BRICK PLC

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This year has been prointing one for the prointing one for the exhibited exhibitional marketic traditional marketic traditional marketic feet are expected 1.3bn against an initial School.

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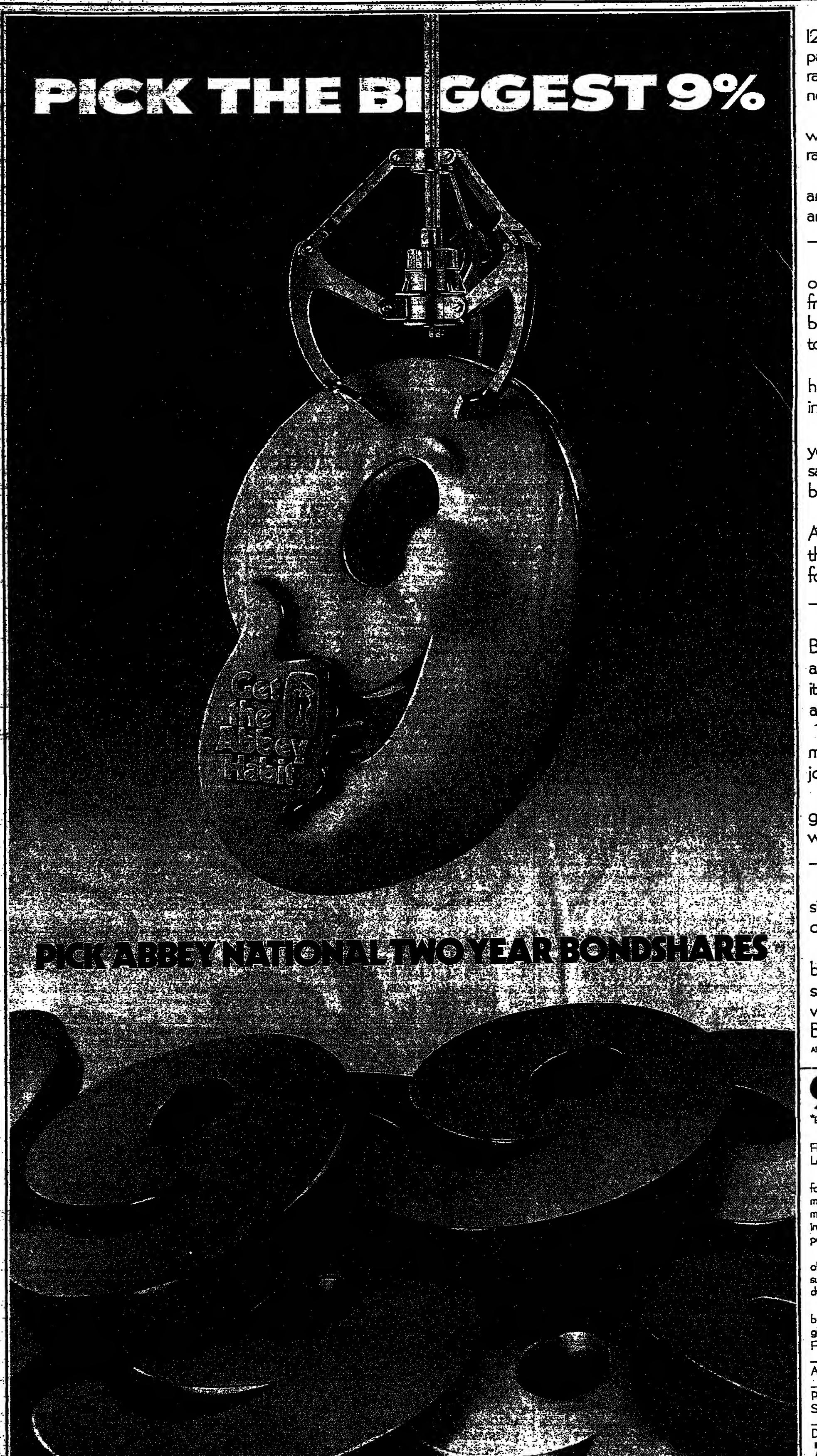
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9.00% net (the equivalent of 12.86% gross to the basic rate taxpayer). Currently that's the attractive rate you get with Abbey National's new Two Year Bondshares.

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The Advortising Standards Authority. If an advertisement is wrong, we're here to put it right. ASA Ltd. Brook House, Torrington Place, London WCIE 7HN.

Flights to U.S. at peak pressure

By Arthur Sandles in London

TENS of thousands of American students making their way back to the U.S. after the summer holidays are helping to give airlines on the North Atlantic their busiest ever time and few seats are left.

British Airways warned passengers to book ahead, and even then be prepared to go to another gate-way airport than their first choice -Boston instead of New York, for ex-

British Caledonian said its traffic was up 22 per cent on the North Atlantic compared with a year ago. "Los Angeles traffic in July was up by 50 per cent, and Houston by 25 per cent_Standby seats are virtually non existent at the moment."

"People Express, which started its service from Gatwick to the U.S. earlier this year appears to have enjoyed a remarkable first summer season. The British Airport Authority, which monitors all traffic, suggests that the airline has been operating at load factors of 90 per cent or more.

CBI expects output to taper off next year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITISH INDUSTRY continues to months of next year and will then show signs of a slow recovery, but stop. growth in output is likely to tail off next year says the Confederation of British Industry, the employers'

The CBI's latest monthly trends survey of 1,500 companies shows that output is expected to rise further and order books remain at the improved levels of the early summer. However, export orders appear to have weakened a little since May and June, when companies reported a significant improvement from the low levels of last year.

The CBI says that the combination of weaker export orders with rising output indicates that the companies expect domestic demand to be relatively buoyani

However, in its latest forecast for the UK economy, also published in will continue only into the first few 1984. The institute by comparison.

expects inflation to have reached an end of 1984. It predicts output will be almost

unchanged between the first and final quarters of 1984. However, because of the higher starting point, the average level of output next ear will be about 2 per cent above the average level this year. The CBI's rather gloomy appraisal is closely in line with that of the

National Institute of Economic and Social Research published last week. The institute also expects this year's recovery to fall away quickly next year. The CBI and the Institute both

believe that inemployment will continue to rise from about 3.1m (excluding school leavers) in the late autumn of this year to 3.2m by the end of next year. Both organisations expect the in-

flation rate to rise, although the its economic situation report the CBI is slightly more optimistic than CBI takes a rather sombre view of the institute on this score. The CBI prospects for next year. It believes predicts an annual rate of increase national output this year will be of the retail price index of 6 per about 2 per cent higher than last cent by the late autumn of this year year's level, but it believes growth rising to 6% per cent for most of

annual rate of 7% per cent by the

The contrast between the recent relatively encouraging improve ments in the UK economy, particularly of consumer demand, and the subdued longer term outlook reflects a continuing depression among Britain's major trading part ners in Europe.

National output in France, West Germany and Italy is expected to grow by only between 1 and 1% per cent next year. However, growth in the U.S. and Japan is expected to be running at 4 to 4% per cent by then.

Economic stagnation in the UR next year would present the Conservative Government with acute policy dilemma: whether relax its present tight strategy for fighting inflation in the interests of stimulating growth.

Its present plans to continue to squeeze down public borrowing as a proportion of national income suggests that Government spending must be kept on a very tight rein with little room for tax cuts.

Cabinet Secretary calls for an end to leaks - in a leaked letter

non-political public service.

his employer's confidences.

He writes: "There can be no justi-

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE Cabinet Secretary, Sir Robert Armstrong is urging Whitehall's most senior civil servants to prevent further leaks of confidential government documents - according to a leaked copy of his own confidential letter from the Cabinet Of-

His letter to all 40 permanent secretaries heading government departments, is prompted by the spate of leaks during the general election campaign.

Labour scored what many considfication or excuse for passing out a ered to be its only real successes document, or indeed for orally diswith attacks based on leaked docuclosing information, which is enments from the Treasury, the Detrusted to an employee in confipartment of Health and Social Security, and the National Economic dence. Development Council

Sir Robert's leaked letter records act of corruption. If it is done for popermanent secretaries' dismay at litical or for personal motives, it is these leaks, which he says "can on- an act of disloyalty which reflects a ly have been deliberately perpetrate corrupt sense of values, and the ed with the object of embarrassing person concerned had better seek

members of the government party." employment where he can pursue He acknowledges that "most if not the causes in which he believes all of them must have been perpewithout breaching his employer's trated by civil servants," and deconfidences. It is not for civil ser scribes them as "an intolerable vants to play politics. breach of trust" which "put at risk "Whatever the motive, the perpe-

the Civil Service's standing as a trator forfeits the trust placed on him when he accepts employment Sir Robert emphasises that the and with it the right to continue i difficulty is not so much over the that employment. breaches of the Official Secrets Act After this clear warning of dis but over an employee's duty to keep

missals, Sir Robert stresses the need to "reassert the values and the sense of professional obligation and loyalty which will make such leaks unacceptable and unthinkable at any time." Sir Robert makes it clear he is

not referring just to the leaking of "If it is done for money, it is an documents but also to information given orally to journalists or others The leaking of Sir Robert's own letter is likely itself to give further impetus to his drive against disclo-

Spending growth 'will go on falling'

By Carta Rapoport

GROWTH IN UK consumer spending will continue to taper off through 1983, predicts the Economic and Research Department of the Co-operative Union. In its annual publication, Eco-

nomic Prospects, the Union pre-dicts that the volume of consumer spending will increase by just 24 per cent this year, because only moderate growth is expected in real incomes. The sharp drop in savings re-

corded in late 1962 and early 1983 will not be repeated in 1984, and will cease to be a driving force behind higher consumption. Another year of moderate improvement in real incomes will produce an increase in the overall volume of consumer secuding of fust 1.9 per cent in 1984

Taking account of expected price increases, the growth in the value of consumer spending is forecast to be between 8 and 9 per cent annually for 1983; 1984 and 1985.

The study also forecasts: • inflation may be a little laster in 1984, but still quite low at about 7 per cent. • there is little chance that the

number of unemployed will start to fall in the near future. "The depressing fact is that it will take many years of expansion both in manufacturing and services, to make a significant impact on the length of the dole queues," the STRUY STRUES. • hank base rates are expected

to stay within the 9 per cent to 11 per cent range in 1983.

Move to resolve diverted ship row

TOP-LEVEL talks will be held in Liverpool today in an effort to resolve a dispute over the handling of a mixed general cargo aboard a Polish Ocean Lines freighter operating on the East African service, which has been diverted from Hull, Humberside.

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Meanwhile, it has been agreed at preliminary discussions that whatever happens when work resomes this morning, the ship. Władysaw Lokietek, will remain isolated in the Alexandra Dock at Bootle while the rest of the port works normally.

WORKERS at John Brown Engineering in Clydebank, Glasgow, have begun an immediate overtime ban to oppose the 500 lay-offs announced by the company last week. At a mass meeting of more than 1,750 employees yesterday the workers gave their overwhelming backing to initial measures to oppose the redundancies.

• THE Greater London Council (GLC) may go to the courts "if necessary" unless Environment Secretary Mr Patrick Jenkin withdraws within 21 days his ban on allowing the GLC to amend and midate the Greater London Development Plan: Mr George Nicholson, chairman of the council's platming committee. said yesterday • STRIKING plumbers at Bel-

iast's Harland and Wolff shipvard are expected to meet today to decide their next move after the management refused to reinstate two shop stewards sacked for alleged industrial misconduct



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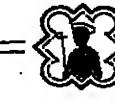
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Nissan 'set to start Britain'

By John Griffiths

NISSAN will announce in October that it will go ahead with a UK car manufacturing plant, according to an independent research report.

published today. The study strongly reinforces a growing belief within the motor industry that, after more than 21/2 years of agonising over a project expected to cost up to £500m, Nissan's board has just decided to proceed.

Then 330-page study has been produced by the Zaikai business journal of Japaneeds (Multilingua), a British consultancy specialising in Japanese business affairs.

It says Nissan's announcement will follow an October board meeting at which updated profit fore-casts will be made. The meeting also immediately precedes a planned visit to Japan by Britain's Trade and Industry Secretary, Mr Cecil

The project envisages the eventu-al production of 200,000 cars a year, for sale throughout the EEC. As originally conceived, the cars would have an initial 60 per cent UK or EEC content, building up to 80 per cent with the advent of UK-built en-

In reaching its conclusions the Japanese report says Nissan now believes there is an overriding need for a European plant, to counter protectionist sentiment, secure a lead over its Japanese rivals, and retain its place among the world's top car makers.

It emphasises that the decision is being made on the prospect of an eventual profit, estimated to take seven to ten years, and the achieving of a corporate consensus.

Pickets keep yard closed

By Mark Meredith, Scottish Correspondent

STRIKING workers at Highlands Fabricators' offshore construction yard near inverness yesterday defeated management hopes of a return to work. Only 21 workers crossed the picket line, although the union said fewer than 12 had gone through.

The yard has been closed for 11 days after a strike among its 2,000 hourly paid workers over benefits lost under a cost-cutting pro-gramme introduced during the summer break.

Highlands Fabricators, which is jointly owned by Brown and Root and Wimpey, wishes to cut the hourly paid workforce by 400 men.



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WORKERS at John Brau ocering in Clydeback w, have begin as have y-offs announced by the unv last week At a man g of more than 1.750 sterday the workers pai

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Business and Light Aviation Show (01-643 8040)

Builder's merchants exhibition-BEMEX (61-680 4200) Wembley Conference Centra

Autumn Gifts Fair (01-855 9201)

Harrogate Exhibition Centre

International Security Conference and Exhibition (until Aug. 30) (0488 38085) - New York Sept 1-3 International Semi Conductor and Electronics Components Exhibition — INTERNEPCON

International Autumn Fair (01- 1951) 493 3111) Sept 8-10 International Chocolate and Biscuit Trade

Toy and Gift Autumn Show (01-Sept. 10-18 International Autumn Trade Fair (01-891 2608) Sept 14-31 International Engineering Fair Municipal Services Exhibition (021-455 9600) (01-935 8200)

BUSINESS AND MANAGEMENT CONFERENCES

Metal Bulletin barter conference (01-330 4311) Vista Hotel, New York, U.S.

FT Conference: Asian energy $(01-621\ 1355)$ Sept 12-14 Risk Research Group: Captive insurance companies—establishment, operation and management (01-236 2175)

Sept. 14-16 Industriai Relations Services; Employee communications how to get your message across and achieve success (01-328 4751) College of Marketing, Cookham,

Frost and Spilivan: Office automation and integrated information processing support systems $(01-486\ 0334)$

Sept. 15-16 INSIG: International seminar on banks micro-computers (Luxembourg 209 31) Luxembourg Sept. 29

corporate and financial advertising under the new IBA codeand development of management information systems (01637 2311) and the implications for Press Cawthorpe House, Bourne, near

Offshore Europe Exhibition and Conference (01-549 5831) **EXHIBITIONS**

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Sept. 11-14

(0727 63213)

Sept. 27-Oct. 1

Sept. 30-Oct. 4

Engineering

Sept. 19-20

Sept. 19-21

Sept 20-22

Sept 20

1983 (01-657 4383)

-WELDEX (021 705 6707)

Sept. 13-24 Chelsea Antiques Fair (0727 56069)

International Chemical Plant and

INCHEM (01-221 2048) Tokyo

Middle East Construction and

Business Research International;

The international loan markets

British Institute of Non-destruc-

tive Testing annual conference

(0604 39124) Keele University

Reinsurance Management Institute: Fundamentals of reinsur-

Oyez IBC: The art of negotiating

for company executives and pro-

Sept 22 Institute of Purchasing and

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EIMC: European truck maintenance conference (01-572 7913)

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Royal Lancaster Hotel, W2

procedure (01-236 4080)

futures (01-621 1355)

Sept. 28-29

management (0780 56777)

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Liberal MPs step up revolt against Steel

FINANCIAL TIMES REPORTER

the weekend for a motion due for debate at the Liberal Party Assembly and intended to cut the power of the party's leader, Mr David Steel. The motion due for debate in Harrogate next month by the party's strategy commission, is signed

by Mr Cyril Smith, Mr David Alton

and Mr Simon Hughes, three of the

17 Liberal MPs. At the weekend Liberal associations throughout Britain have received letters signed by Mr Smith and Mr Alton seeking support for the motion which reinforces calls to end the Liberal leader's right of boycott on policy decisions taken by

SUPPORT was being mobilised at sions should not state their views as party policy - a clear reference to support from the Alliance of Liberals and the Social Democratic Party (SDP) for cruise missiles in the UK at the general election despite a Liberal Assembly decision two years ago to ban them.

This will be seen as going a long

way to support moves by Young

Liberals to end Mr Steel's right of

veto over policy decisions taken by The motion seeks what it calls "a more corporate style of leadership" within the party, echoing the criticisms of Mr Steel made last week by the secretary of the influential

Association of Liberal Councillors The motion urges that Liberals Mr Tony Greaves, who, Mr Steel dissenting from conference deci- said, should have been sacked.

Drive to keep lorries

BY GARETH GRIFFITHS

LONDON companies would face to a report published by an umbrella group of 73 trade bodies.

The report, from the London Needs Lorries organisation, says a ban would not produce environmental advantages and there would be a heavy economic price. A survey of would go out of business.

400 companies indicated 40 per cent major problems if heavy lorries of them thought they would lose were banned in the capital by the their competitive edge and have to Greater London Council, according create redundancies, and 32 per cent would abandon plans to extend their businesses or develop new business in London.

About 29 per cent of the companies said they would be forced to move from London and 16 per cent

TUC likely to record fewest members

By Philip Bassett, Labour Correspondent

MEMBERSHIP of the Trades Union Congress (TUC) is likely to fail to about 10m by the end of this year. Four years ago TUC membership stood at 12.2m - its highest ever - but since then unemployment has steadily decreased it.

Statistics being presented to next week's annual TUC Congress will show that TUC membership currently stands at 10.5m. This figure, itself 500,000 fewer than the previous year's. was recorded last December. TUC officials expect the trend have continued throughout this year, pushing membership down to about 10m, the lowest for

19 years. Even more significantly, the TUC has for the first time now acknowledged that trade union organisation itself - trade union membership expressed as a percentage of the total number of employees - is in decline, Falling numbers in the Amalgamated Union of Engineering

Workers will take away the

week for the first time.

union's new seat on the general council, which it will win next

Slow progress towards exploiting new ideas

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

HOW CAN Britain profit more from new ideas? The question will be put at the highest national level on September 12 when the British Prime Minister leads a London seminar of business chiefs, scientists, other academics and top civil servants.

The meeting marks the opening of Mrs Thatcher's personal campaign to boost technological progress in industry. It comes 18 years after her Labour predecessor, now Lord Wilson, appointed Britain's first Minister of Technology with the identical aim in view.

Despite countless hours of work on the topic since, the problem stays identical too. By the standards of the advanced nations, while British universities are good British industries are poor at exploiting new inventions in either products or processes.

Another topic bound to be raised at the seminar is that of closer relations between industry and research departments in universities and polytechnics. Detailed proposals to this end were made in June by the Prime Minister's esteemed Advisory Council on Applied Research and Development in conjunction with the Advisory Board for the Research Councils.

The trouble is that essentially similar proposals were made by the

Confederation of British Industry in a report 13 years ago. And while much activity followed, including the establishment of industrial liaison centres and even commercial companies by higher educational institutions and the opening of science parks, the industrial renaissance is not noticeably nearer. "All my adult life people have

been rabbiting on about the need for better relations between universities and industry," said Professor John Ashworth, vice-chancellor of Salford University and formerly chief scientist with the Central Policy Review Staff.

"If it was simply a problem goodwill between them or even of money for joint projects, we'd have cracked it years ago.

There are flaws, he thinks, in the assumption behind the betterrelations theory that the prime source of profitable impovation is intellectual ideas of the sort that might be stored away untapped in academia. A study by Manchester University in 1972 of 158 "novel, important ideas" which led to successful inventions found that only 10 had come direct from universities compared with 116 from within companies

Mr Geoff Burkitt, director of Brunel University's Industrial Services Bureau, agrees. "I've a groove science.

in my carpet made by companies new-product managers coming here asking for our new ideas. I tell them that universities tend to produce the sort of things they're looking for only rarely and then usually by ac-

polytechnics can often belp, he believes, is when a company comes along with what he calls an "industrial if-only." It typically arises when someone has spotted a promising market demand and knocked out a prototype means of supplying it - for example, a machine that would do the job "if only" the maker could overcome a weakness in the materials of which it is made or a chemical compound which would work "if only" it had a slightly dif-

The time when universities and

ferent molecular structure. "That's the kind of problem academics are good at, But they can't give the right answer without the question and that can't usually be asked unless there are people who create if-onlies. There don't seem to be enough around."

The shortage is blamed by Professor Michael French, of Lancaster University, at least partly on the education system's "gross neglect" of practical engineering design as distinct from theoretical engineering

Last check up before take-off.



Financial Times Conferences

WORLD FINANCIAL FUTURES London - September 28 and 29, 1983

This major conference is timed to coincide with the completion of the first year's trading in the new London Exchange. Under the Chairmanship of Mr Jock Bruce-Gardyne and Mr Ron Porter it will feature papers by Mr Thomas Strauss, Salomon Brothers, New York; Dr Kurt Andreas, Deutsche Bundesbank; and Mr Leo Melamed, Chicago Mercantile Exchange.

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London -- October 11 and 12, 1983

Mr Floyd Kvamme, Executive Vice-President for Marketing and Sales, Apple Computer; Mr Alex McIntosh, Director of Entry Systems Operations for IBM (UK) International Products; and Mr Adam Osborne, Chairman of the Board of the portable computer company which bears his name are among the speakers at this top-level meeting.

COMPETITION, MERGERS, ACQUISITIONS, BUY OUTS AND PUBLIC POLICY

London - October

Policy on competition and mergers and acquisitions in Britain is a subject of considerable controversy. This conference will provide a valuable opportunity to examine Government policy, to review the role of the Office of Fair Trading and Monopolies and Mergers Commission and to consider the views of leading business figures who have been closely involved. Mergers and takeovers in the United States will be thoroughly debated with papers from Mr John Shad, Chairman of SEC; and Mr Bruce Wasserstein, Managing Director, Mergers and Acquisitions Section, The First Boston Corporation, New York.

All enquiries should be addressed to: The Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX Telex: 27847 FTCONF G Tel: 01-621 1355 Cables: FINCONF LONDON



THE Patricia Roberts story is in almost every respect a classic textbook case study of how to start a small business and make it grow successfully.

In the middle of the recession, Patricia Roberts has managed to build up a highly profitable yarn and high fashion company on the back of the once despised and largely homecentred craft of hand knitting.

Her business has grown at a steady 25 per cent a year to its present turnover of £750,000, of which £175,000 is in exports to the U.S., Japan and

Starting from a small opera-tion selling her patterns, through newspapers and book shops, and garments through exclusive boutiques, Miss Ro-berts now has a chain of three shops in London, packed with young customers buying her brightly coloured yarns and the vividly distinctive Patricia Roberts sweaters—which sell normally at around £100 to £400 a time.

She has just opened her first Patricia Roberts franchise shop in Hong Kong, and is negotiating with further potential franchise holders in Australia and Japan. The Japanese deal could include not just shops, but also the manufacture of Patricia Roberts yarns under licence. It all started. Miss Roberts

explains, when, having trained

in fashion in Leicester in the late 1960s, she went to work designing knitting patterns for a group of women's magazines. She spent her days producing instructions to enable the readers to produce their own perfect hand-knitted copies of Marks and Spencer's machine knitted sweaters — and become convinced that there was a glaring gap in the market for something more exciting: for high fashion designs to appeal to younger buyers and encourage non-knitters to knit,

"I could see such a hole in the market it was ridiculous it was not being filled," she says. "There was a whole sector of the market not being catered for because the big companies and designers were so con- complicated Fair Isle patterns on producing cheaper and servative. They were not leading the customers but following them, so non-knitters thought hand knitting was frumpy and

catering for an unsophisticated last year, and she is now work- ment to justify the labour not want their business to grow market and kept talking about ing on her ninth pattern collec- involved. the terrible taste of the tion. average person. But I believe

of patterns, published in 1975. the natural yarns she wanted to longer a demand, These were totally unusual for work with.



Patricia Roberts: found a glaring gap in the market

A fashionable idea as a basis for lasting growth

BY JOAN GRAY

and exotic stripes—and were a cheaper synthetic and machine great success. patterns topped the hardback hand knitting, where she bestseller list of publisher, thought the aim should be to "Knitting designers were all W. H. Allen for three months produce a more luxurious gar-

At the time, she explains, the shop opened in Kensington in with knitted flowers, bobbles, big spinners were concentrating 1976 to a queue outside the gone tomorrow."

washable yarns. But she was Her collected volume of convinced these did not go with

She decided to start selling paid off. She started by selling with everybody seeing it and people have better taste than her own yarns in 1975, follow. Shetland wool and pure mohair copying it and finishing you off that, and that if I like it so ing the success of her first -and, she says, had a "terrific in a year," says Keith Roberts. pattern collection and because success" with these natural She put her conviction into she felt frustrated by the yarns, for which the big spin- after another and that's the practice with her first collection increasing difficulty of finding ners had said there was no way we aim to keep growing at

The first Patricia Roberts

door. The profits were ploughed back to open a second small shop in Kensington, followed by

the hugely popular shop in Covent Garden. Miss Roberts' partner, her brother Keith, emphasises the company's careful approach to finance as an ingredient in its success. Until the Covent Garden shop — which needed a more substantial bank loan sector in the UK. Though somewhat dated in the entire business had been self-financed from retained

"One of the biggest reasons why high fashion companies go bankrupt," says Keith Roberts, "is that they borrow other people's money and spend it on flashy offices, and high living. But if it's your own money. you're more careful."

profits, with just a small over-

draft_

White, bright, with strong fluorescent lights, disco music, and strikingly displayed yarns, garments and patterns, the Covent Garden shop is nothing whatsoever like a conventional woolshop. " More like an Italian furniture shop with wool in it," is how Miss Roberts puts it.

The Roberts hope their business's major growth in future will come from selling franchises for Patrcia Roberts shops, all based on the Covent Garden flagship and with franchise holders being able to buy everything from the shop design to the yarns, patterns and carrier

The advantage of selling franchises, explains Miss Roberts, is that it will make it possible for the business to grow without hindering her ability to create all the designs and while keeping individual units small. "It's an ideal package to franchire," she says, "because we've got the yarns and the shop design and our things sell better in our shops where you can make sure you've got the image right and the right sort of staff.

Miss Roberts' innovative approach to hand knitting helped fuel a major revival of interest. Now, all the big spinners are offering their own collections of high fashion patterns and exciting yarns, and clutch of smaller companies has started up to try to catch their own share of the new "designer knitting" market.

The Roberts are an ambitious pair, but are emphatic they do too fast. "It's easy to be very Once again, her conviction short-lived in the fashion trade "We've always taken one step 20 per cent a year." "We don't." adds Patricia Roberts. "want to be here today and

A RECENTLY published analysis of nearly 700 companies backed by the Industrial and Commercial Finance Corporation—part of the Investors in Industry group—gives some new insights into the small firms

that the survey covers up to the end of the 1970s, ICFC believes that an "acceptable" proportion of its companies in 1979-80 seemed capable of weathering the stormier economic climate of subsequent years. The corporation also claims its portfolio showed a higher growth rate than a sample of larger companies prepared by Government statisticians between 1977 and 1980 in terms of total net assets and combined turnover.

The survey is available from ICFC, 91 Waterloo Road, London SE1 8KP.

AN unusual venture capital

conference is being held in London on September 24, which consists of a seminar to help entrepreneurs get finance, together with a mart for introducing investors to potentially interesting high tech opportunities. The idea is to foster better links between the City of London and the computer fraternity. Booking details from Philip Virgo, Technology Assess ment Services Manager, The National Computing Centre, 11 New Fetter Lane, London EC4. Tel.: 01-353 4875.

THAMES Polytechnic running a course designed to marry redundant managers with small firms needing their skills. The managers undergo a crash reorientation programme, then spend 10 weeks with a suitable company. Funds are provided by the Manpower Services Commissien. Details from Jackie Severn, Small Business Unit, Thames Polytechnic, Wellington Street. London SE18. Tel: 01-854-2030 Ext 486.

A NEW magazine aimed at the independent businessman is to be launched next month. "Your Business" will be published by Centaur Publications, itself a new venture started by former Morgan Grampian chief executive Graham Sherrin and backed by-leading City institutions. Your Business, which is being launched with a £350,000 promotional budget, will appear fortnightly, price

Conditions are worsening

SMALL BUSINESSES proliferate in Japan in a way which is often a source of delight to the European visitor. A stroll down a city back street com-monly reveals every manner of intriguing small enterprise from cutlers and umbrella dealers to family engineering shops and shoemakers.

Numbered among these are many artisan traders such as have almost entirely disappeared from the scene in, for example, the UK, as a result of competition from large-scale

Such scenes serve to remind one that, despite its popular "Japan Inc" image, the country is a bastion of small-scale enter-

No less than 99.6 per cent of all business establishments come in the small business category as defined by the Ministry of International Trade and Indus-try's (MITI) Small and Medium Enterprise Agency, ie capitalised at no more than Y100m Such businesses cantilibute -. 52 per cent in value, of Japan's entire annual commercial shipments and employ. 81 per cent of the national labour force. The links (as subcontractor,

subsidiary, etc) which often exist between these smaller businesses and larger-scale concerns are traditional deeply entrenched and fundamental to the success of both parties; a simple manifestation of the "family hierarchy" of much in this close-knit society. The continuing survival and

success of these myriad small businesses owes much to government policies which offer comprehensive financial support services and guidance facilities. and in some cases regulate the size and location of certain business activity.

Supermarkets, for example, restricted in their size and opening times, are a major. factor in the continuing survival of the local "corner shops." In the agricultural sector, farms of over 11 acres are not allowed.

Such "understanding" and protection from the government has rerely been as sorely needed as at the present time. Small businesses are under fire from several quarters, catching the brunt of the effect of the general recession and the high level of real interest in Japan. Bankruptcies in 1982 hit record highs, totalling 17,122 cases and averaging about 1.500

been the small subcontractors.

Roy Garner

concludes

international

a series on

small business with a report

on Japan

parent firms looking for econo-

The larger companies have also been able to demand higher quality goods at lower prices, which has led small companies to seek help by the introduction of robots, and other forms of automation, a trend which has begun to be reflected in unemployment figures.

Three main channels for government-sided financing are offered to small businesses by the Japanese Government, together with a public credit system and a variety of organisations offering management and technical guidance.

The largest finance organisation dedicated to the assistance of small businesses, and offering both short and long-term lending is the Co-operative Bank of Commerce and

It compares with the top 10 banks in terms of loans outstanding, and obtains most of its funds from the private money market, especially through long-term bonds.

Tim Dickson the first line of defence by from the Peoples Finance Cor- sector orders.

poration which concentrates on organisations with 20 or less employees and a maximum capital of Y10m. The Public Credit Supplement System consists of 52 credit guarantee associations nationwide, funded largely by prefectural government bodies, which guarantee loans from financial institutions to small businesses. These are backed by the Government-

guarantees. The credit guarantee associations have been operating with large deficits for the past four to five years.

capitalised Small Business Credit Insurance Corporation,

which is the insurer of the

great majority of these

Small business guidance is primarily handled by local Chambers, and Societies, of Commerce and Industry, which are equally subsidised by the local, and central, governments. There is also a Small Business Corporation, which maintains special educational insti-

tutes, assists in the upgrading of loans and provides voluntary mutual relief schemes. Despite the comprehensive assistance on offer however, conditions have continued to worsen in the small-business

Average wages slumped to 65 per cent of the level prevalent in corporations with over 500 employees in 1981, compared with 70 per cent in 1971 and no recovery is yet in sight. According to the MITI agency, 70 per cent of small firms now feel the need to develop new products by modification of their information and management techniques, and by

the introduction of new techno-However, at least a third of such firms are reportedly frustrated in these aims through financing difficulties and a shortage of sufficiently skilled personnel. Companies also lack the confidence to invest, in the current economic climate.

Small firms are presently demanding comprehensive relief measures from the Government including the stimulation of domestic demand by an expansion of public works spending, tax cuts and an extension of long-term low interest Inans.

The government's awareness Long-term lending is also of their plight is reflected in available through the Govern- recent measures to strengthen ment-capitalised Small Business the bankruptcy prevention cou-Finance Corporation, which sultation system and by moves Some of the werst hit have specialises in helping indepent to improve mediation procedent enterprises, using funds dures between contractors and especially in engineering fields, from a budget maintained by subcontractors in order to whose orders have been cut as the Ministry of Finance, and ensure fair access to public

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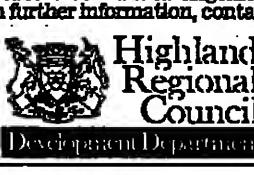
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TECHNOLOGY

POWER FROM HOT ROCKS UNDER DEVON/CORNWALL

Testing time for geothermal energy

BY ELAINE WILLIAMS

make or break period for geoenergy, said Dr Batchelor, principal investigator at the Camborne School of Mines. He is heading up Britain's research into this form of alternative energy. In September the next stage

in the work to provide hear and power from rocks far beneath Energy has fust committed a further film to geothermal next three By 1986, Britain will have spent a total of £21m on "hot rocks."

Out of all the possible alternative forms of energy only wind and geothermal still remain hopeful for widescale exploitstion in the UK. Some estimates of the UK's reserves of geothermal energy has been put as the equivalent of 10km tonnes of coal

In essence, geothermal chergy the heat within the earth itself. It is a resource which. in theory, could be tapped anywhere on the earth. The advantage of this form of energy above any other—is its availability on a continuous basis. This avoids the need for large energy storage systems and makes it one of the most attractive forms of alternative energy. Dr Batchelor's research pro-

geo-has been studying methods of exploiting a resource estimated to be equivalent to all Britain's coal reserves - under Devon and Cornwall alone.

Already more than 2:000MW of electricity is created worldwide from goothermal resources with several tens of thousands of megawatts of direct heat. In loaland for example some 70 per cent of the country's energy needs is obtained from geothermal energy. Geysers in California produce—more than 1,000MW of electricity a year on a commercial basis.

Dr Batchelor says that the concept of the extraction procass—known as the hot rocks method—Camborne is studying is elegantly simple. Anywhere on earth, he says, the temperatures increase as greater depths are reached. The problems comes in creating holes or ouths in rocks so that the heat can be extracted and used. Though pioneering work was done on this at Los Alamos

National Laboratory in the U.S. Camborne has refined the technique so that it can be used in the UK. The key to the process is to produce a circular path in the rock so that water can flow round the system to take out the heat.

Camborne School of Mines has tried to use matural cracks

in the rock—sultably widened to pass water through. The school has drilled to major boreholes to a depth of 2,000m and a temperature of 80C in

the Cornish granite. Dr Batchelor explained at the British Association on Friday that the use of this resource is restricted to those parts of the world where the hot magmapart of the earth's molten core w -can break through the crust to depths where man can reach it. This is generally at depths down to 8.000m. In some areas of the world

groundwater naturally circulates then natural geysers and steam wells will produce substantial quantities of heat from the hot rocks. In the UK such as in the Wesser basin—which stretches from Southampton towards Bournemouth—there are buried hot water resources but they are not recharged. So taking out the heat is similar to the process of taking petroleum from an oilfield.

Dr Batchelor said that hot dry rocks systems will always be made up of multiple pairs of wells. He estimated that to be economic, a geothermal production well must be twice as productive as a naturally occurring

Work at Camborne has so car revealed that there are sub-



Schematic representation of a hot dry rock reservoir formed by stimulation of natural joints, centre; project areas in Devon stantial quantities of hot water at 55 degrees C at depths as shallow as 300m below the surface. There are naturally occur-

ing cracks in the rocks which

has been widened by high

pressure jets of water to enable extraction to take place. There is still uncertainty about the technology behind the extraction. But Dr Batchelor says that the next three years will definitely prove or disprove Camborne's theories.

would be to construct a pilot plant capable of producing up to 10MW of electrical power and between 50 and 100MW of thermal power. The cost for

such a project would be in International have experience in the region of Dr Batchelor said that such a project would have to generate ment of the wells on a private revenues of up to £4m giving a 10-year payback. Even if the long-term future

of geothermal energy is assured at the end of the next phase, the question of who sells and distributes the energy still remains. At present the Govern- incorporating ment is uncertain how this should be organised. There are If successful the next stage several options which include: • Putting the management of lem here is that the CEGB does geothermal energy into the hands of private industry. Companies such as Shell Union Oil and Geothermal

this form of energy. It would be possible to fund the developbasis using tax incentives and loan guarantees as was done in the U.S.

 Setting up a separate body to run Britain's geothermal energy

energy into an existing body such as the Central Electricity Generating Board. The probnot handle combined heat and power systems and it would not sit easily within their existing

Dr Batchelor believes that the UK can learn many lessons from the U.S. companies where geothermal energy is being produced on a profitable basis. So far the project in Cornwall has run to time and budget. Dr Batchelor said the object of the research programme to date has been to demonstrate that hot dry rock reservious of sufficiently large size exist to support extraction. The final goal remains to prove that this extraction is economic and to develop the extraction techno-Camborne School

Mines has three years and £11m

liberated in the reaction, how-

to do just that.

EDITED BY ALAN CANE

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computers DATA TRANSLATION Slough says that it can now offer from Interian of Westford. Ma., the industry's most complete approach to multi-vendor personal computer networking. emulation software packages have been released for 12 different PCs, two microcomputer development systems and four host minicomputers.

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How to make polyurethane foam without fluorocarbons



ENVIRONMENTAL scares ebb and flow, so it's increasingly difficult to remember the outrage during the 1970s over the fate of the earth's ozone layer. At that time, millions were

convinced that fluorocarbonsa propellent in many kinds of serosol sprays and an incredient in the manufacture of polymethane foams—were eating away at the earth's ozone. Fearful of alarming environmental effects, many countries, including the U.S., banned fluorocarbons from aerosol sprays in the

National Environment Pro- erased. The substance's gen- than fluorocarbons. gramme Co-ordinating Commit- eral reputation, despite recent long-term depletion of ozone: (condue sidered in isolation) is now manufacture of flexible poly-making flexible polyurethane down to 3 to 5 per cent compared with 10 to 15 per cent calculated in 1979.

This decrease is due to new data on certain chemical reaction rates. Further, committee has stated that this lower depletion rate can almost due to other trace gases. The fears over fluorocarbons.

tee on the Ozone Layer, the vindications, continues to be poor. As a result, a replacement for fluorocarbons in the urethane foam is still likely to receive a warm welcome. especially if the replacement can save the manufacturer

money at the same time. Innochem. a speciality licensing company based Switzerland, has licensed such entirely be offset by increases a process. It was invented by an employee of Kabel und Gummiwedke in Belgium and is based

Now, according to the United however, have not been entirely on the use of formic acid, rather In its simplest form, formic acid reacts with an isocyanate in the same way water does in the traditional process for foam. The difference is that formic acid produces double the quantity of gas for expansion of the foam, giving it the desired fierthility which makes it so suitable for bedding, furniture and car seats. As a result, the use of formic acid obviates the

such as fluorocarbon 11.

will displace 200 tons of fluorocarbon 11. This release of carbon monoxide will require any users of the process to make some modifications for need for mert flowing agents ventilation and monitoring to their plant. In addition, some The additional gas which is

ment will be required. These is carbon monoxide. modifications, according to another substance with unpleasant reputation. Inno-Innochem, will cost the average company between £5,000 and chem maintains that the average 4.000 ton a year foam plant using its technology will only As for savings, the manufacemit the same amount of carbon monoxide as 80 motor cars would in a year.

turer will only require 50 tons of formic acid for every 200 tons of fluorocarbons it formerly At the same time, the process required. For example, a company producing 5,000 tons of foam per year and spending 8 per cent of its total raw material costs on fluorocarbons should save around £60,000 per year.

non-speciality pumping equip-

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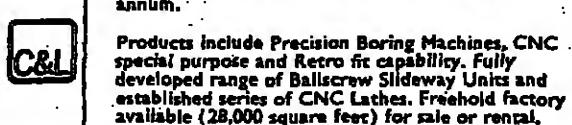
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CIVIL ENGINEERING AND

CORRESPONDENTS ANALYSE GLOBAL TRENDS IN HOUSEBUILDING

Still bad news on the new homes front

SORE thumb sticking prominently from this month's otherwise promising U.S. industrial production figure was housebuilding. While general production showed a 1.8 per cent rise in July, U.S. housing starts revealed a minute but ominous drop.

At the same time, the Fédération Internationale Européenne de la Construction (FIEC)-Europe's main monitoring body
—published a deeply gloomy half-yearly report on the state of the industry.

The FIEC report. compiled by its economic experts group and incorporating data on Spain, Portugal, Switzerland and Sweden in addition to the EEC countries, warns that this key indicator is still declining in 1983, though at a slower rate In the housebuilding sectorusually the first to demonstrate an upturn for construction—the broad trend continues to slide downwards. Even in the UK. which with West Germany is showing some growth, figures published last week showed a the 1.15m units of 1982. seasonally-adjusted 19 per cent :

on the first quarter. Though this is accounted for by uncertainty over mortgage rates and the general election outcome. Britain's building materials producers and Government analysts suggest a stabilising or slight fall in house starts next year with no further

improvement in 1985, Elsewhere,



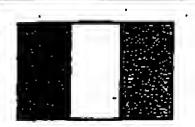
Japanese housing construction has had little impact on the country's economic performance after a decade in the doldrums. Few believe it will have much effect in the foreseeable future.

A revision of earthquake construction standards prompted a mini-boom in 1981. A similar small spurt was induced last winter by a special low-interest loan programme launched by the Housing Loan Corporation.

Nomura Research Institute projects some slight recovery in the second half of the curin April, but full year housing starts at 1.16m unit will only be a fractional rise on

looks set to hit new lows in is expected to drop back by 8.5 1983. Worst comes Belgium per cent — a worsening of last where, after two years of year's 5.1 per cent figure. declines of over 40 per cent, a further 10 per cent fall off is anticipated, due to a continuing

decline in demand. In France, FIEC predicts a cent respectively), Italy is forefurther 3 to 5 per cent fall cast to record a further 2 per housebuilding this year, while the Netherlands' cent downturn.



France

A glimmer of light in the first quarter, showing a 16 per cent rise to 26,000 in new houses sold against the same period last year, has now

Forecasters now predict stagnation in new housing starts next year at about 300,000. With the Government preparing a further squeeze on public sector contracts in next year's budget, there is little hope of an imminent upturn.

The Euroconstruct forecasting group projects a 5 per cent volume tall in general building works activity in France next year after a 5.2 per cent drop this year and a 3.9 per cent decline in 1982.

should hold building rates

While Ireland and Denmark

steady after a disastrous 1982 (down 25 per cent and 14 per other industrial sector.

West Germany Concessions on taxes and

real rise in housebuilding

activity of .5 per cent this

year, after a modest uplift in

the first half accelerates in

the second. Ministers now

estimate a year's total of

400,000 house approvals-a

sharp increase on last year's

335,000, the lowest since the

Pessimistic voices point

out that this trend will not

feed through for some time.

Completions will be iess than

last year's 347.000.

Rising interest rates are damaging the U.S. houseinterest rates have lifted house building in West Gerbuilding industry more many from a deep slump, dramatically than the official despite some agonised doubts housing start figures indicate. for the fature from some according to the National sections of the industry. Association of Home Builders. Current forecasts predict a

Seasonally adjusted housing start figures for July showed a 0.6 per cent fall for the second consecutive month but the NAHB claims that this total is inflated by starts for multi-family units.

United States

U.S. builders constructed 74,000 of these units in 1982 under the rent subsidised programme for lower income groups, but this will fall to 14,000 this year when the programme ends.

The significance of house- new jobs - the majority in building decline is demonstrated building itself, but with others most vividly in countries' unem- following in allied trades and playment figures. According to professions from the building British estimates, the sector is materials industries to profesregarded as a key generator of sions such as architects and employment, greater than any estate agents.

is believed to create at least 2.5 sure from politicians, house- lower interest rates.

builders' federations and trade unions to stimulate the sector. West Germany has had most success in this field, with special Government measures, lowered credit rates for housebuying and falling production costs fuelling the upturn.

Measures taken in France and the Netherlands have failed so far to boost the sector, however, though the Dutch Government

usually a boom sector in recession—is losing pace, according to FIEC. Civil engineering projects are also declining though there are some positive signs in Spain, Sweden, and Switzerland.

The most encouraging news from FIEC is that foreign contracting is continuing at energetic levels, though this too is under pressure.

signs of hope for European estimated to cost about improvements. As a result, governments are builders must lie in the U.S. Each house built, for example, coming under increasing pres- trends along with prayers for

CONTRACTS Gammon to build £21m Hong Kong Government

The Hong Kong building defar to boost the sector, however, though the Dutch Government is expected to renew altempts to increase sales while keeping contract to GAMMON BUILDING CONSTRUCTION for the conhouse purchase interest rates at struction of a government office the lowest levels possible.

With the sole exception of West Germany, non-residential construction orders are expected to decline in all the countries under examination in the current year. Across Europe, continued restraint on public expenditure is cutting capital spending projects and thus building order books.

Buoyancy in the renovation struction of a government office building at Queensway in the building at Queensway in the building, next to the building, next to the new supreme court, now under construction, will be completed in about 36 months. It will be 47 storeys tall with a four-storey podium. Next to it will be a seven-storey "L" the contract for a flim project to divert the Amarti River, a four-storey podium. Next to it will be a seven-storey "L" The contract Light and 547000 sq metres of office accommodation and car parking facilities. This is one of the office Buoyancy in the renovation ties. This is one of the office

> ment office accommodation. An eight-storey block under and rock fill, and the building of construction in Sai Hung, a nine- 20 km of gravel-surfaced storey building above the Sha permanent access roads. A. Tin railway station, a seven- 3 metre diameter tunnel, 16 km storey block in Tuen Mun town long and concrete lined, will be centre and the 27-storey harbour driven in sandstone rock and

In the meantime, the greatest Road on Wan Chai reclamation, put will result from these



U.S.\$211m (£141.5m) it will comprise six blocks of government buildings — district/ magistracy building, a science building, a public car park, a fire station and two office towers. Both 49 storeys high, they will provide a total of 200,000 sq

dam 700 metres along the crest reduce the shortfall of govern- will involve the movement of will take the diverted river into Mr Joseph Lei, acting director the existing reservoir which of building developments said feeds the 100Mw Finchaa hydrothat the largest will be the electric power station. A 20 per Government complex at Harbour cent improvement on energy out-

Renaissance of a faded beauty

THE ADELPHI HOTEL near Liverpool's Lime Street Station, 1,000 bedrooms in the autumn is probably the most imposing of 1985. symbol of the city's fall from glory. When it opened in 1914 it was rightly hailed as one of the five best in the world. More testified to British Rail spendowning it.

plan, a lot of regeneration to 38 to 60 per cent. Merseyside.

ference and exhibition requiring

That sort of success would be greater than even his regenerated Adelphi could handle with its projected 370 recently, accelerating diaginess rooms, so all of Liverpool's hotels would stand to benefiting only £13,000 on mainten- perhaps mollifying their comance in the last two years of plaints about Government help for a competitor. .

Now the Adelphi—where By then the Adelphi's rooms Harold Wilson used to spend will have been refurbished and election night—is about to be all will have bathrooms en suite. born again, a renaissance that Only 140 are in use at present will bring some joy to the but Britannia's management Government and, if all goes to has now got occupancy up from

BR gutted the top two floors

Great

素质 法一些

For the scheme that will so these will be filled with create what is likely to be the modern-style hotel rooms. The third biggest exhibition-cum- Adelphi's old rooms, however, conference centre-cum-hotel will all be restored to what they complex in Britain is one of the once were—imitations of firstfirst large-scale examples of class state rooms on transpublic and private sectors atlantic liners, complete with jointly funding urban renewal. gigantic baths and specially The private sector input is wide doors that opened outcoming from the Manchester- wards so that passengers in based Britannia Hotel Group, overnight transit from Lime which bought the Adelphi from Street Station to the Princes



Refurbishment gamble at Liverpool's Adelphi.

Adelphi valued at £1.3m after tenders had been invited but managing director Alex Lang-sam decided to gamble that no one else would bid for such a potential white elephant and

offered just under £1m.

His hunch paid off and BR leapt at the chance to be rid of a monument to a better yesteryear that was losing an annual £250,000. But Langsam could only go ahead with his plans if he also got public sector support. Total cost is projected at about £5m. Last week Lord Religion the Environment Minis Bellwin, the Environment Minister, announced £1.3m of urban development grant towards the

Three-quarters of this will come from Government and the rest from Merseyside County Council Overall, the figures comply with the formula promulgated by Mr Michael Heseltine, now Defence Secretary, when he was "Minister for Merseyside" in the wake of the 1981 Toxteth riots.

He envisaged that key regeneration schemes could be financed by £2 of private sector money for every £1 put up by central and local government. The public sector contribution was designed to make otherwise unviable projects potentially Langsam's scheme includes not only restoration of the hotel

to its Edwardian elegance but also the purchase and development of a disused ico-cream factory behind it as an exhibition hall. He says that only London and Birmingham will be able to offer anything bigger and that facilities at Harrogate and Brighton will look small in comparison,

To get exhibition and conference business, he is forming a joint promotion company with the county council. Last week saw a firm inquiry for a con-

BR in March. Britannia had the landing stage at the then teeming Liverpool Pierhead could have their trunks wheeled in without hindrance.

> Langsam has raised most of his share of the money from long-term loans—a fair indica-tion that the money market has some confidence in his plans. Why this should be so derives from the outstanding success Morton have had with the Britannia Hotel in Manchester, from which the group gets its

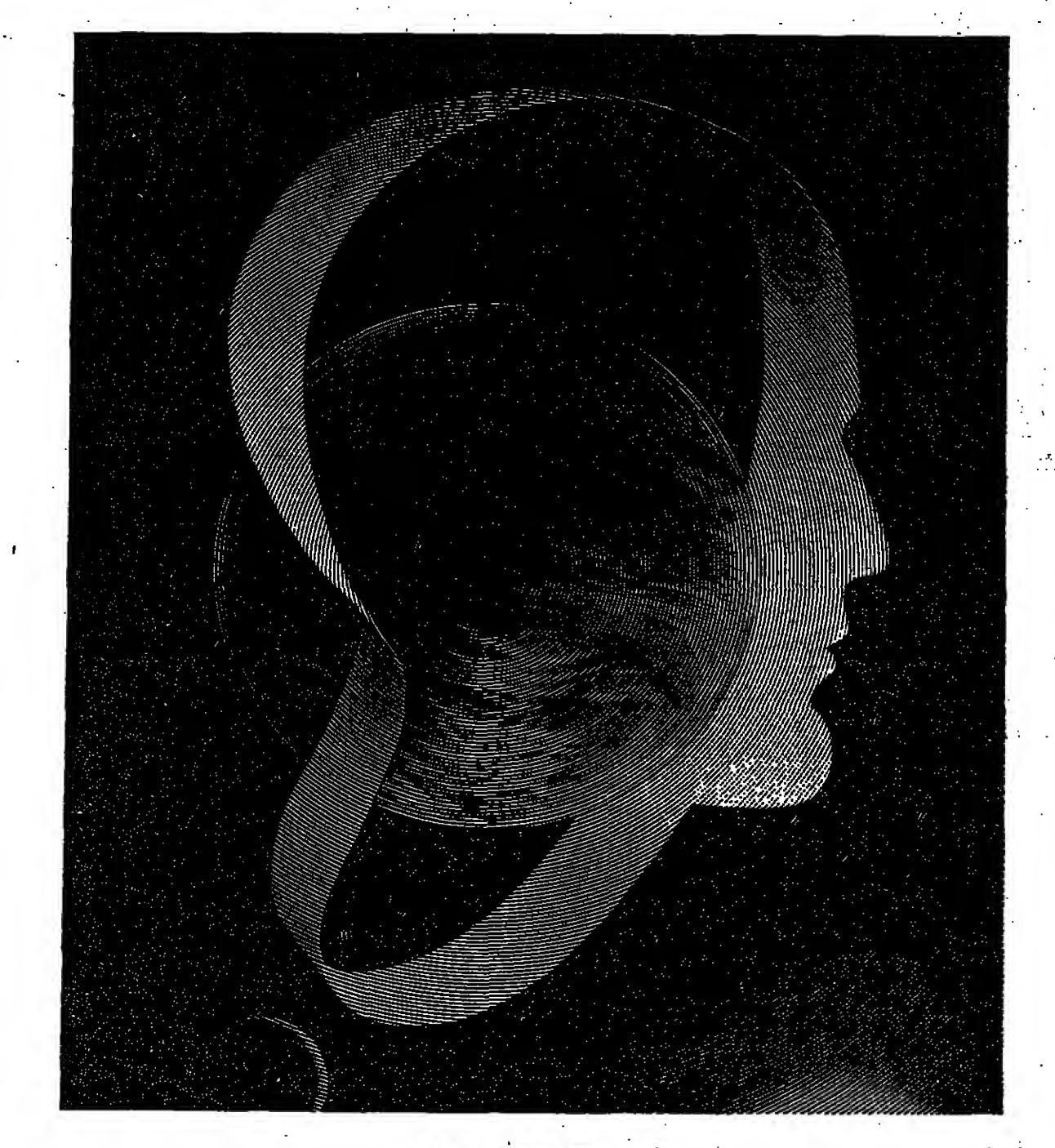
This was once a cotton ware house in the city centre Langsam and Morton were builders looking for something to develop as recession hit their business; so they bought it and transformed it into an amazingly successful hotel.

The Britannia's stunning decor and spectacularly elegant, gold-leafed flying staircases give only a hint of what can be done putting a sound old building to rights. In the Adelphi's case, the basic raw meteriol is even

Langsam believes that only relatively small, independent outsiders like Morton and himself can take on such tasks. He says that the big hotel and leisure groups would see the effort involved as a distorting diversion of resources and that such projects need entrepreneurs on the ground managing their own risk,

It is the sort of thinking that keeps the hotel staff on their toes and providing the service that people want to pay for Langsaw says that there is a touch of show-business involved. It is why there is a notice on the backs of the doors leading from staff areas into Britannia Hotel public spaces. It says: "Smile! You are about to go

IAN HAMILTON FAZEY



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THE ARTS

Rayward Annual Time has

ture, more particularly the work of some of the middle and

younger generation of British

anthology, for each of the three

selectors - Paul de Monchaux

and Kate Blacker (sculptors

themselves and both showing

part. Between them they

manage to leave out all senior. artists, all those who estab-

lished reputations in the 1940s

or before, all those of the 1950s

and "the Geometry of Fear,"

and virtually all of the New Generation of the 1960s.

heavy metal, no weight-defying

entirely retrospective, though

the artists continue active and

even flourish yet, but is

developments as the figurative

and anthropomorphic symbolism

There is almost no direct figura-

tion at all, just plenty of figura-

together undeserved. Certainly

so much recent carving.

Exclusion, moreover,

tive reference.

There is nothing of St Martin's

It is a kind of federated

Edinburgh Festival 1983

Vienna & Venice, Boston & Bali

Edinburgh's "Vienna 1900" only super-polished, but had a Exchange, an unsavoury busitheme is cleverly expounded in wonderful breadth and easy ness.)
Peter Vergo's bitty, suggestive, majesty that one had supposed Aschenbach's Hierary-philosoexhibition in the National outside Abbado's intensive phical rhapsodies around Tadzio
Museum of Antquities, where range. If his underweight in the novel are one thing, a
the aesthetic character of solid Funeral March had matched the stage-stripling in clinging bathburgerlick life - buildings, costumes, furniture, social manifestations - is illustrated as well as the radical reactions to it. At the Assembly Hall the Glasgow Citizens' Company in Venice on Friday, in their here as a junior sports day. Not plays Hofmannsthal's Rosenkovolier text, sophisticatedly class-ridden and "wise," and Karl Kraus's angry Lost Days of machinery for shifting palaces Mankind, The concert programmes, as I remarked in an earlier report, are narrower and more partial; the conservative background is barely repreprompted — except for the fascinating Zemlinsky music are illustrated only by familiar works of the "second Ylenna school."

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Small

monodrama . Erwartima — sung on Thursday by Rhyllis Bryn-Julson with Claudio Abbado and the London Symphony— retains the greatest disorienting power. Written "at white heat" as they say, in a few days, it denies the listener any stable footing—no tonal basis nor symphonic plan, not even a clear dramatic structure. Its Expressionist heroine (who may or may not have murdered her lover, may or may not come upon his corpse) wanders distraught; the orchestra keens and shudders with her, seethes

obsessively, entities. Potent histrionics by soprano can indicate a direction for that lava-flow, but Miss Bryn-Julson's unshakeable composure couldn't. Instead she offered an exquisitely musical line, refusing to force climaxes, and left Abbado to weave the exotic musical tabric around her. He did that with the utmost refinement illuminating many difficult corners: not pense of Beethoven's "Eroica" on television news the Scottish Symphony, which followed, but headmaster who blew the gaff

It is extraordinary how

theatre audiences, even in 1983,

when confronted with a pro-

duction a little different from

nettes, about a disoriented

You know what it's like when

people mumble to you on tube.

phoning home, as it were, from

It is certainly un-English in

rest it would have been a great performance, and it was a memorable one anyway.

Scottish Opera gave a single performance of Britten's Death co-production with the Geneva Grand Théatre. Jean-Claude Swiss ingenious and gondolas worked. well, like clockwork, though the Ring's Theatre allowed us too close a view of the works. More evocative Mediterranean light was needed, and much subtler handling of the minor roles. Roderick Bryden's treatment of the score was over-bright and candid too, but it gathered power in the second half.

efficiently, gent-of-fate roles repressing the temptation to show off "versatility" in different funny-hat turns. The musical opportunities he gets are not generous. The leading role of the haunted Great Writer is more problematic: it was designed for a tenor of imposing presence and gravity, restricted musicianship, and Roife Johnson really qualifies only on the last count. The libretto (unlike the music) presents Von Aschenbach far more than Thomas Mann's ironic original, and the producer François Rochaix allowed start a choieric, self-important

Barry Mora took the multiple

The result was to make him a ripe candidate for embarrassing self-discoveries, and his passion for young Tadzio the explosion of a shameful secret. That wasn't Mann's point at all. though I fancy that Brittenand Visconti Leaw it differently again. (The reception of the opera was further tempered. preparation might I'm sure, by the fact that many have been achieved at the ex- of the audience had just seen no: the opening Allegro was not on the Paedophile Information

Great and Small/Vaudeville

Michael Coveney

friend: visiting her brother in

Lotte's cry is both for help

less performance that goes

is just such a person. She is on projection and lively querulous- the rubbish heap, a failure in

timing - have farely been seen

Agadir. After four years of . What I like especially about of the privileged club of 36

and sensual exploration of her characters-Barry Stanton as we would have all nodded wisely

crat. Mary Sheen as an old

this respect, but not oppres- woman mistaking Lotte for a bookshelf. To find this piece.

sively Teutonic as our friends lost daughter, Marty Cruick- and this production, in the com-

who vacated the front stalls in shank as a bored, expensively mercial sector is both astonish-

package tour in Morocco, ness - not to mention contic a society doomed to intermin-

come smell of disaster. On tour. a brilliant scene of domestic

Small has been subjected to clutching at her last straw in

this Philistine party game. It the play's funniest sequence as

turns out to be a highly enter- a sexually exploited secretary to

taining imaginative series of a ludicrous official in the Parks

woman fated to end up as a bag and privacy, and Miss Jackson

trains or at bus stops. It is right to the nerve centre of

clear from the opening scene Strauss's pessimistic vision. Her

that Glenda Jackson as Lotte qualities of authority; unfussed

marriage, she is on the brink, the evening is its sureness of

The play, translated from the touch and sheer freshness in

German by David Essinger, pro- comparison to anything eize in

history, but as a brutally funny mobile gallery of sharply etched

ceeds not as a sociological case London. Mr Hack's cast is a time.

perfectly comprehensible vig- department...

the shopping precinct that is to better advantage:

Strauss's Great and disintegration by the sea; and

ing-costume quite another. Britten's unhappy notion of ending Act 1 with an Apollonian vision of "Greek games" dramatically inert—was realised all Rolfe Johnson's intelligence and finesse could make the opera's more elevated ambitions In the Assembly Rooms there

gamelan performances Bali, complete with from charming dancers enacting opaque fables in mime cheerful, wide-eyed horse was slain and magically revived). The music-sonorous, repetitive and ever-fresh-was not so many thousands of miles or space-invading painted steel from John Cage's Credo in US, and coloured Fibreglass, nothing performed by the Boston from the Stockwell Depot Musica Viva in their Queen's Hall concert on Friday. Cage's ostinato games are arranged contemptuous : snippets of European music (Dvorák this time, but choice is left open); it is a de-mystification. was excellently played. transparent honesty. half-lights no pretensions. In the final reckoning, however, Europe won, for Webern's brilliant reduction of Schoenberg's 1st Chamber Symphony

splendid conviction (which American art-music Cage's isn't) brought from Boston was thin. John Thow's All Hallows was a commendable academic product, thoroughly informed by good tasts and educated resource, without any striking idea to communicate. Elien Taafe Zwilich's Passages on twee poesy by A. R. Ammons (bravely sung by Elsa Charlston), was much worse: crude chamber-writing choked with instrumental doublings, striving deciamatory orchestral effects. How could a pupil of Sessions and Elliott produce Carter such Cack-

The play carries a truly

poetic dramatic weight. Scene

changes are managed by a stage

crew in yellow wellies and

building site helmets. The de-

sign metaphor of an impersonal

plastic world takes on a detailed

resonance as Lotte joins the

patients in a doctor's waiting

She pushes a supermarket

trolly full of plastic bags. She

will melt, unnoticed, into the

background of black bags on

able bouts of leisure activity,

mistakenly convinced she is one

righteous men who hold the

planet together at any one time.

It is a desperate image of our

a pigeon hole on the cultural

In a large subsidised house

handed stuff?

lieved. Keith Hack's wonder, as a lascivious neighbour and

fully confident production has languidly wealthy sister-in-law.

a hor of Perspex panels de in a remarkable street scene

signed by Voytek in which we that closes the first half. Jeffery

see Lotte tracking down her Kissoon as a balletically drunk

journalist husband in a cheer. Turkish immigrant and Brian

less apartment block; trying to Deacon as a whoring sailor

make contact with an old school- transmit the histious horror of

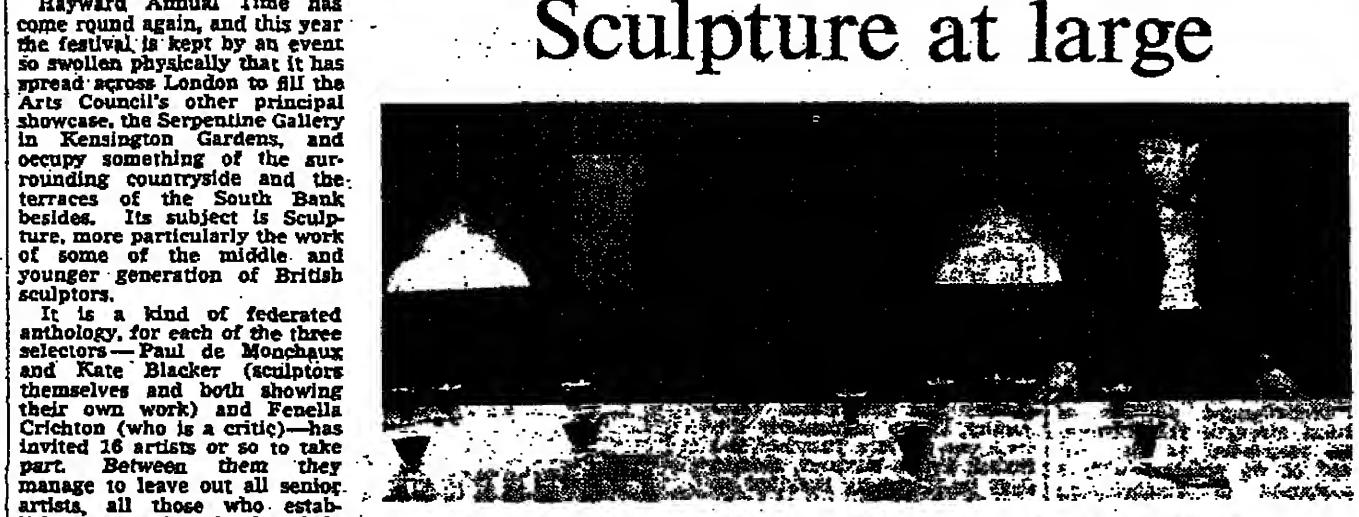
conveys the hopelessuess he room who are all garbed in

the husband and the bureau- and consigned the experience to

for a Pierrot ensemble carried

DAYID MURRAY

Sculpture at large



Bill Culbert with light and glass sculpture at the Serpentine

ever since the last war our insti- before us in the Park and by the interest in the associative extutions have championed the River is the dissenting revi- ploitation of discrete and diswork of our sculptors at home, sionist academy of the nearly parate elements, and in the :never ceased to promote the distinct strains, the one formal secret history as in the discause abroad. Major show has and principally engaged with covered conjunctions of succeeded major show, with this material and technique, the archaeological dig. simply the latest in what is sure other more directly to be a continuing series. But, with idea and image. The discoming as it does at this tinction is one more of emphasis moment, it is especially useful, visited upon such contemporary for it gives us a view into a

It is the received wisdom that up, turned over and recycled, lished.

the British Council has young; and we can detect two suggestion of incident than actual separation

From those three lists we can euriously shifting and various pick out a number of artists who, coming out of the art What we see is an old order schools in the later sixties, not so much being challenged principally the Royal College and replaced in simple revolu- and St Martin's itself, offered in tion, but rather being broken their work alternative approaches to the narrower formal the British are rather good at peered into like the oracle, old othodoxy and practice of St sculpture, and the reputation, in orthodoxies, rites and ancient Martin's. There was a renewed shown (Stephen Cox, Christine modern times at least, is not al- practices revived and re-estab- feeling for the direct manipula- Angus, de Monchaux himself, Displaying its wares tion of material, a growing Anne Nicholson), and the

move, at first through a minimal exposition of the sculptural idea or concept, towards disciplined but romantic and direct involvement in the landscape, and with the found, largely unworked but signified object. From such general leads follow, for example, the remarkable revival of stone-carving on the one hand, and there are very many beautiful examples

direct employment of modelled clay, put to rather more obviously symbolic or surrealist expression (Anish Kapoor, Shirazeh Houshiary, Judith Cowan): on the other the ad hoc and gleefully opportunist response to found material, and its wry, ironical or savagely surrealistic redeployment (Kate Blacker, Tony Cragg, Bill Woodrow, Richard Wentworth, David Mach with his ill-fated submarine).

The shadow of Richard Long falls long indeed over this company. His example, and that of artists like Barry Flanagan (who is not represented) and David Nash (who is), lies now not in their actual subject-matter so much as in their attitude towards it, their demonstration that anything at all may be used as the legiti-mate stuff of the artist. And these younger artists, no longer followers at all, have moved into, as it were, the later, the Baroque phase of Romantic Conceptualism in sculpture.

Their approach is not one of formal invention but rather of formal opportunism, taking things as they come, not developing an idea so much as exploiting its potential for variation. It is easy to see why their work should elicit so furious a response from the general audience, for it is, ironically, manifestly accessible and easy to read as it challenges that public's expectaion of what sculpture should be.

It stands nevertheless in the direct line of those more elegant and charming manifeslines of twigs.

WILLIAM PACKER

South Bank Summer Music

For the second week of South Bank Summer Music the Song-smoothly, seamlessly executed. makers' Almanac presented a series of early-evening recitals under the title of "War and Peace." Friday's at the Elizabeth Hall bore the additional appellation of "Reviewing the Troops," and presented a med-Robin Holloway's Women in War, which the Almanac had

introduced at the Round House

last March. Then Holloway's "Review for four female voices and planoforte " was designed as a companion piece to Janacek's Diary of one who disappeared, and in that context it also toured on the Arts Council Contemporary Music Network. But in its new format I fancy his impact could be slightly blunted. Graham Johnson's slick confection of music-hall songs and poetry covered much the same ground —the ideas and attitudes of the British during the First World War—as Women at War. The ground is retraced in a less obvious way in Holloway's work, through a marvellous array of women's poetry left unattributed by the composer; its

effect is more profound, of

course, but lessened by having

to put its audience through an

aiready familiar set of emotional hoops. It is still however, one of Holloway's most successful and attractive vocal compositions. The quartet of female voices (as in the earlier performances. Miriam Bowen, Carolina Friend. Linda Hirst and Patricia Taylor) is used with great imagination and skill—in solo. duet, and together; the plane writing is rich and complex. Holloway's debt to and regard for Britten has never been more obvious than here: there are textures from Grimes, and in the piano and solo writing especially, from the Hardy cycle Winter Words. But they

are thoroughly integrated into

an idiom that combines astring-

ency with lyrical poise, folk

material with late Romantic

Hamburg Staatsoper: Madame Butter-

Frankfort Opera: Madame Butterfly

Erenesto Veronelli.

Wildschütz.

fly has Eugenia Moldoveanu and

with June Gard and Seppe Ruchon-

en. loses, conducted by the young

american Judith Somoghi, stars

Galina Savova. Manon Lescaut.

with a cast headed by Nelly Miri-

season. Purther performances are

a German premiere, choreographed

by Peter Schauluss, is danced to

music by Niels Wilhelm Gade and

Eva Evdokomova and Peter Schau-

NEW YORK

New York City Opens: At Press time,

the musicians strike continues, can-

celling scheduled performances of

The Magic Flute, Tosca, Madame Butterly, The Mikado and La Ron-

dine, but worth checking (assuming

the phone company's strike allows).

CHICAGO

Hubbard Street Dance Company: A

Chicago favourite combines classi-

cal training with Broadway-style

choreography in an exuberant all-

American mixed programme, end-

ing this week. Ravinia Festival,

Highland Park (4338800).

Center (870 5570).

New York State Theater, Lincoln

The Magic Elute and Der

Berlin Opera: Ballet: Eine Volkssage,

effusion. The whole concept is ANDREW CLEMENTS The main portion of the

sole jazz concert in this year's cast on Capital Radio. South Bank Summer Music came from Canadian-born composer/ arranger/pianist GH Evans along with 13 British musicians. all but one of whom are on his recently issued album recorded "live" at Bradford earlier this year. On Friday at the Festival Hall they gave an almost uninterrupted 100 - minute programme which closely followed the LP. At the end listeners may have felt they would have been better served buying it rather than attending the conlogical order. cert for, as happened at the same venue in 1978 with a different set of musicians, Evans' complex music was too

often himred and distorted by the hall's prestigactory sound arrangements. Too often balance and separation left too, much be desired, depriving the listener of full appreciation of the music's inner mances. Only occasionally did the interesting textures Evans' writing, such as ivnamic range. · clarinet, unison passages trombones and trumpets, and the stark telling employment of

riffs, triumph. In the writing sounded as if they could be interestingly developed and eqlarged but they never were There was a curious lack of finish to most of the pieces which often were imperceptibly spots in the Fifth-an Curious too, on this occasion expected slackening of tension was the allocation of solos at the horns' entry in the finale which resulted in Don Weller, and an occasional . lack one of the most volatile termsax soloists in Britain, having

though, and completely swept aside in the uncompromising Seventh that ended the concert. electric and acoustic piano, plus. The CBSO strings showed no electric bassist, signs of flagging at the end of keyboardist and a demanding evening. drummer there was a heavy Rattle's perception ensured that rhythmic feel to all the com- nothing was overlooked, and that nothing marred the work's cumulative effect.

tribution threashout could not be faulted for its energy and dynamic appreciation. No doubt On Saturday afternoon, bethe concert will sound infinitely more satisfactory when broad-

KEYIN HENRIQUES Another of the themes running through this Summer Music has been the seven symphonics of Sibelius. Simon Rattle and the City of Birmingham Symphony Orchestra have presented the cycle in three concerts, and they closed the season (and also Mr Rattle's three-year tenure as its artistic director) on Sunday with the Fifth, Sixth and Seventh. presented in chrono-

It was a splendid, inspiriting experience. Flying visits to Birmingham in recent years have indicated that Rattle has made remarkable; strides with his orchesira and this was amply confirmed in the Festival Hall, The CBSO produced playing of refinement and coherance that has not been bettered and only rarely approached by other British orchestras this year; the strings, especially, were excepcional in their smoothness and

Rattle's way with Sibelius is not epict even the fifth symphony was not whipped up to extract maximum impact. It is, nevertheless, peculiarly exciting in its sureness and unerring ability to outline pertinent detail. The sixth was the most completely achieved in every respect, unfolded in measured tempi and exquisitely coloured, There were momentary flat 'middle" in thicker textures.

Minor imperfections only

Clement Crisp

Agon/Covent Garden

tween matinee and evening performances by the New York City Ballet, the London Ballet Circle was given a lecture-demonstration about Balanchine style as seen in his dancers' daily class. which was both brilliant and brilliantly illuminating. The speaker was Joseph Duell of NYCB: his "guinea-pigs" were Shawn Stevens and Peter Boal, both lately entered into the company -- Miss Stevens last season, Mr Boal this — and both having aroused great interest at their graduation performances from the School of American

Mr Diell, a fine classic dancer and a promising choreographer this La Création du Monde and Suite No 1 were well worth watching) is still young, but old enough in school and company to have been taught by Balanchine. And, as his skilled analysis and commentary showed, blessed with the intelligence to comprehend those qualities of energy and clarity, the purposeful and alert presentation of the body, that Balanchine demanded to give theatrical life to the class-room vocabulary. The simplest steps were shown to have an implicit power and brightness, an essential shape in line and dynamics

that must be honoused. The two young artists were beautiful advocates for the speed, elegance and harmony of their school: Mr Duell admirably spoke, demonstrated, instructed, and revealed why Balanchine's classic manner has such life, such physical passion in seeking the best from the dancer's body that nearly every other national dance style looks

chine manner was to be seen in still a bright vision of the a true and dazzling artist at future even after a quarter of every moment because of her a century. With Heather Watts lucid and unaffected command and Mel Tomlinson very fine in of the dance. It was an angelic ANDREW CLEMENTS! the pas de deux, and a cast performance.

only half-awake.

vivid with the music's life, Agon blazed in its intense relationships with time and energy like the balletic super-nova that it is. It also remains the most persuasive portait of the company and of the classic dance as Balanchine had shaped it within 15 years of his arrival in America, and it is astounding. same

brought Balanchine's second portrait of Merrill Ashley—the first being of the young divinity who moved faster than the eye could see in Ballo della Regina in 1978. Made two years later. Bollade (using Faure's score) takes this extraordinary virtuoso and, without diminishing her bravura, sets it in warmer and more womanly—perhaps even capricious—vein. Miss Ashley drifts, floats, the clear and pure line of her dancing threading over the stage, and catching up her cavalier (the dazzling Ib Andersen) in its web, establishing an atmosphere of emotion, lightly but piercingly stated. It is a seem-

ingly simple ballet, but Balan-

chine's mastery is everywhere

present—and so is Miss

Ashley's. One other performance, a self-portrait in this instance. must be mentioned: that of Kyra Nichols in Piano Concerto No. 2 on Saturday afternoon. Miss Nichols dances her every role with an assurance. an undemonstratively wellrounded technique that combines amazing strength with lyric sweetness (Robbins' Piano Pieces offers a most charming portait of her). In the Chaikovsky Piano Concerto she produced an interpretation of pure gold, serenely brilliant when the choreography demanded it, This integrity of the Balan- a ballerina-vision in the lovely second movement when performances at the week's she appears Aurora-like to her end, with Friday night's Agon prince (the noble Sean Lavery),

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plight.

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Arts Guide

Music

the interval might have be- dressed housewife, Emms Piper ing and encouraging.

Wurzburg Cathedral Choir conducted Schutz, Mendelssohn, Bruckner (Mon - 6.39 pm) St-Louis en l'He Orchestre des Jeunes conducted by

Jean-Mare Cochareau: Debussy Strauss, Moustorgaky. (Mon & 30 pm) Law Faculty Asses. One hour with Bartok by Alain Planes piano (Tue \$30 pm) Townhall of the 5th Arrondissement Orlando Quartet: Mozart, Stravingly,

Alfred Schnitting Brahms (Wed 6.30 pm) Theatre à Dejazet, 41 bd du Tample, Metro Republique. Orlando Quartet: Haydn's Les Sepi dernières paroles de Christ", Jean Negroni reciting (Thur 8.30 pm) St-Severin church.

All these concerts are taking place in the framework of the Festival Estival de Paris; tek 2715700: sale of tickets Mon to Sat 11 am to pm: 14, rue Francois Miron, Metro Hotel de Ville, tel: 271 5700 and Ba teaux-Mouches - Port de la Conference. Pont de l'Alma Rive Droite; Metro Alma, tel.; 2252255.

NEW YORK

New York Choral Society: Robert de-Cormier conducts the New York Choral Society in a summer-season grand finale of Verdi's Requiem (Tue). CAMI Hall, 57th & 7th Av

Opera and Ballet

English National Opera: Collecum; the season opens with two ENO-successes of the recent season - Anthony Beach's handsome Cavaliers-and-Roundheads production of Don Giovanni - alongsida Richard Van Allan, familiar in the title role. there are some interesting new casting ideas: Norman Bailey's first London Leporello, Suzanne Murphy as Anna, Marie Slorach as Elvira. Adrian Martin as Ottavio - and the now world-famous Jonathan Miller version of Rigoletto, Verdi transmuted into a 1950s New York Matia melodrama with Mark Elder conducting, John Rawnsley and Arthur Davies as hunchback-bartender and "Duke", and a new Glida in Helen Field. (\$36 8161).

Royal Opera House, Covent Gardent The New York City Ballet shows the finest classical dancing in the Western world with matures on Wadnesday and Saturday. Essential viewing. (240 1066).

WEST GERMANY

Berlin Deutsche Oper: Carmen is per-fectly cast with Pilar Lorenger and Jose Carreras in the main roles. Aida convinces through Julia Varady's brilliant soprano in the leading role. Lucis di Lammermoor, sung in Itallan, is conducted by Carlo Franci. Faust's Verdammung benefits from Kenneth Riegel in the title role.

August 26-Sept 1

ACROSS and 5 Silver went after gold

tself there were tantalising

glimpses of motifs which

only one extended slot and this

not adequately heard in the

positions. If drummer John

Marshall is singled out for

mention it is because his con-

F.T. CROSSWORD

PUZZLE No. 5,203

With the reticent Evans on

linked.

guitarist.

another

here (8, 6) 9 Note when the army order is

given (4, 4) 10 Two chaps, one customer (6) 12 Calms and sends to sleep (5) 13:I'm beaten and confined (9)

not a true member (3-3) cioiu, was revived triumphantly last 16 Possibly one sin't from a good school (7) 19 Miss tes when involved in

toe (6) Johan Peter Hartmann Soloists are 23 Improving—using a reference book? {7, 2}

> America, he tried flying (6) 27 Aversion is stated another way -(8)

29 Didn't stay uninhabited (8) DOWN

3 Grounds for development?

4 Charging for a pottery (7)

14 Girl on the cricket-side is

painting (7) 21 Beast retiring with a broken

25 Love to have a tea break about five. Like an egg? (5) 26 I take road transport to

28 In June the rates will be lower (6)

1 Visible remains ancient undertaking (6) 2 Record-making start to the student year? (9)

on

6 Coach has to remain outside

as required by law (9) 7 Bill free of bitterness? (5)

8 The sort of contest that goes on in the ring (4-4) 11 Seen in church when spring

15 With us details can produce weariness (9) 17 Neither here nor there

(2, 7)18 One slum I refurbish—with

this? (8)

20 They may be consumed from cups (4) 21 Upset? Depends how bigheaded one is! (7)

22 Guard is fed up to death (6) 24 Love to have a role in pictures (2, 3) is over before Easter starts 25 Eccentric when out and about (5)

> The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

rebate respects e r i s p i h e EADADKMI ONMARD BISCULT V A O T C K N P EYESORE MENTOR S A T T E OURNES PREMIS E U E E O A T RAPIDITY PLAYER Solution to puzzle No. 5,201

Property Review

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FINANCIALTIMES

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Tuesday August 30 1983

The Brazilian cliffhanger

financial position of Mexico spending and short-term borrowing triggered an acute problem for the world banking system a year ago is now heading for a small surplus in its current account after servicing whose austerity programmes and whose apparently well-distributed maturing debts were lauded last year in contrast to the Mexican excesses, is in arrears and at the centre of another Stability critical phase for the international banks.

Is Mexico's experience an object lesson for the Jeremiahs, and a source of hope for Does it show that rescheduling coupled with a stiff shot of IMF medicine can produce results at surprising Can Brazil follow Mexico back not to normality, for Mexico has yet to restore itself to an adequate state of economic growth, but at least to the point where it is once again a bankable proposition?

Shrinkage With hindsight it is clear that Mexico's problem was more amenable to a quick fix than that of Brazil and that the Mexican Government was more decisive in its approach to its debt crisis than its Brazilian counterpart. Mexico's imports. bad shot up from \$7.5bn in 1978 to \$24bn in 1981. Those of Brazil progressed from \$15bn to \$24bn over the same period and had already been pared back to essentials by severe government restraint in the

There was thus a much greater depth of froth to be blown off the top of Mexico's import bill: So far in 1983 Mexico's imports are down by no less than 60 per cent on the equivalent figure for last year, albeit at the cost of a pronounced shrinkage in the country's GNP.

two years before its latest debt

showdown.

Mexico's excessive dependence upon short-term debtwell over \$20bn was repayable within one year-produced the perverse benefit that it was easier to achieve a substantial measure of relief with a single large rescheduling than it was for Brazil with its more extended profile of repayments due. Mexico was also slightly less reliant upon interbank deposits than Brazil for which this hidden source of vulner-

The two Governments reacted of the technocrats of the new supporting again.

TURNROUND in the Mexican administration. From its unchallenged position of munity, and a particularly dif-ficult one for Mrs Thatcher, the occurred at eye-opening speed, political strength this Govern-The country whose spree of ment responded to the full extent of its problem with a combination of rescheduling and economic austerity which, if anything, took too pessimistic a view of the trend of the world economy. The Brazilian Government, in contrast, was less willing to come clean about the true extent of its problem. It negotiated a poorly co-ordinated rescheduling package that unravelled from the start.

These divergences between the two countries suggest that the banking turnround will be a longer haul for Brazil. Repayment of its debt does not come into question. The key to Brazil's financial stabilityand to that of the international credit system—is that banks regain the confidence they need to refinance Brazil's debt and to allow a net inflow of finance Brazil to be restored. Mexico's experience shows how the key to that banking confidence is the credible prospect of interest payment on existing

Unlike Mexico, Brazil is still all too visibly unable to pay current interest except by increasing its debt. This year, Brazil's trade surplus will be around \$6bn and insufficient to cover the roughly \$10bn due in interest. Since loans are not flowing for the moment, pending agreement on a new IMF programme, Brazil is in arrears of perhaps \$2bn. The current account is heading in the right direction, with the deficitincluding interest—down from \$14.5bn last year to about \$7bn in this. But it looks as though Brazil will need the full three years of a new IMF programme to match Mexico's partial recovery—a period that will be greatly influenced by development of U.S. interest rates and of world economic

In the meantime the prospect is for brinksmanship between Brazil on one hand and Western Governments, banks, central banks and the IMF/World Bank on the other. Pleas for refinancing schemes will advanced in the West. Rumours of impending moratorium will continue to rumble out Brazil. But it will probably be through the crunchy influence ability proved to be an Achilles of arrears that Western banks and official institutions will be forced to lend to Brazil at a to their debt crises in different rate just sufficient to carry its ways. Bankers and central finances through to the point bankers praise the performance where they become selfThe EEC Budget

members of the Euro-

pean Community are

embarking on negotiations

which could determine . the

nature of the EEC over the next few years. The special council meeting of foreign and finance ministers assisted by

ministers of agriculture is the first in a series which European leaders have set up to try to deal with the finance of the

Community and its "further

The real prospect that the Community could run out of funds adds urgency to the task. The ministers have to report to the Athens summit in December.

Agriculture, which swallows up two thirds of the Com-

munity's funds remains the key

It promises to be an awkward

autumn for the whole Com-

British Prime Minister. Britain

finds itself risking isolation on several of the key issues to be

settled, but its partners cannot

act without Britain. Any

increase in the resources of the

Is this wrangling different

Yes. This time the EEC

from the quarrels of the past?

really is worried about running

out of funds. In July member

states agreed to increase its

Ecus 2.19bn. This supplement

still has to be approved by the

European Parliament. However,

soaring costs of farm expendi-

ture mean the Community

It can avoid going into the

red this year by deferring some

payments but the draft budget

for next year foresees expendi-

tures bumping up against the

present legal limit on EEC

revenues. If all goes well

munity may have to use 99.7 per

cent of available revenue next

year but few expect all will

Where is the money going

Two-thirds of the 1984 budget

of Ecus 24.88bn is allocated for

ing up the incomes of the

Community's 8m farmers and

rest goes to subsidising exports.

since Community farmers pro-

duce more butter, milk, sugar

wine, cereals and other items

than the EEC's housewives need

and world preces of these have

been low, requiring high export

substities. Sugar and cereal

prices have recently risen: those

Where does the money

Under a formula devised in

1970 the Commission receives

its revenue almost entirely from

charges on member states

imports and a share equivalent

to up to 1 per cent of their VAT

revenues. In 1983, 33 per cent

of EEC revenue is due to come

from tariffs and duties on the

imports of manufactured goods.

Another 11 per cent is to come

from levies on imported agri-

designed to bring the cost of

the import into line with EEC

prices. These charges are fixed.

The amount raised from VAT

depends on the Commission's

needs. In 1983 it is forecast to

amount to 48 per cent of overall

of butter and milk—the main

items—remain depressed.

come from?

This is particularly costly

ministers believe the

could face a shortfall

Ecus 230m this year.

Ecus 22.99bn (£13.1bn)

budget for 1983 of

community requires the unani-

mous approval of the Ten.

dynamic development."

issue in any agreement.

Why Europe faces a financial crunch

David Tonge in London and Paul Cheeseright in Brussels explain the importance of today's talks on reshaping the Community

When did the 1 per cent VAT limit become crucial? Only recently. In the 1970s it mattered little. In 1978, for instance, states paid in 0.64 per cent of the VATassessed revenues. But year the figure will be 0.97-0.98 cent. according to Commission's forecasts - and even closer to 1 per according to some Ministers. Both these forecasts rely everything going according plan. Large barvests or low world food prices are only two of the factors which could

farm spending: the dairy sector throw them out. alone takes up almost one-What can be done? quarter of the budget. Much of There are two main avenues the farm spending goes to keepopen. One is trimming expenditure, in particular on agriculture. The other is increasing farm workers. The bulk of the the payments which make up the Community's "own resources." This second avenue requires the approval of all national parliaments. How is the Commission proposing to curb the soaring cost

of the Common Agricultural Policy?

elements were: Reducing price supports for line with those of

dies and premiums. It singles out butter, beef and sheepmeat, subsidy would increase the programmes which at present particularly benefit Britain. • Increasing protection against imports. In a proposal infuriating the U.S., the Commission suggests limiting the imports of cereal substitutes for animal feed; for example, the U.S. now Policy into the ring.

exports over \$430m a year of maize gluten feed to the Community. The Commission also proposes a consumption tax on the upper limit for the growth that the EEC must first settle oils and fats to help reduce the 5m tons of net imports of oil a proportion of growth of own is also keen to ensure that its products each year.

Further, the

wants to cut imports of butter and sheepmeat from New Zealand and of beef from Argentina, Australia and Austria. • Fixing a timetable for dismanthing the "monetary compensation amounts." system of payments used even-out differences between Community farm prices pressed in Ecus and changing national parities following re-

alignments in the European Monetary System. The Commission these proposals could prime Ecus 2.5bn off agricultural spending in the 1984-85 marketing year and Ecus 3.2bn by 1986-87.

How have these proposals been greeted?

Farmers think they are too persed for August, the Commis- nomies." Food manufacturers, not radical enough and are inadequate to deal with surpluses. . Countries such as Britain level of output is reached. If argue that solutions should not milk producers exceed a speci- be sought in hitting the Comfied quota they should pay a munity's trading partners, such levy. For cereals the guarantee as the U.S. and New Zealand, system would remain; but prices and that the proposals risk ex- Integrated Mediterranean Pro- sion's resources. Any reduction would be brought more closely tending to Mediterranean pro- gramme to help farmers in in Britain's contributions means so well that prospects for ducts the mistakes made with northern products such as France. Eliminating consumer subsi- butter and milk.

The abolition of the butter of Spanish and Portuguese lands have backed Britain on funds fast enough to concenprice of butter in Britain's shops by 14.3p per pound. What other proposals on.

CAP reform are on the table? The British, the Dutch and the Irish have all thrown ideas on the Common Agricultural

resources. It would like the idea to be agreed in the forthcoming round of negotiations on the future financing of the Community and embodied in

Community laws. Britain would also like agreement on annual procedures to establish, within this upper limit, the budget available each year for expenditure on agri-

The Dutch paper supports the idea of binding financial limits agricultural expenditure, though it is less detailed. The Irish, major beneficiaries from the CAP, come out in defence of the existing system. What else is on the table in

these particular negotiations? Governments have to reach decisions on two other Commission proposals. The first, also European Social Fund, and the an Regional Development Fund, expenditure on agriculture These funds commit over Ecus 4bn per year to help the are palatable to most of Greece, Italy and a part of

Shouldn't the implications Yes. indeed the Commission argues that their accession will only be possible if the Community's own resources are in-

When are they expected to enter? The earliest date now possible

Britain argues that the EEC is the beginning of 1986. France should establish a "given frac- still has the most serious resertion" which would represent vations—the French position is of expenditure on the CAP as its budgetary problems. Pariswine and fruit and vegetable producers will be protected. .If there are problems in

controlling expenditure, what is the Commission proposing to increase revenue? On May 6 the Commission

proposed that the VAT ceiling be lifted to 1.4 per cent and procedures instituted for later increases if necessary. It also proposed that each country's additional VAT should be "modulated," that is, varied, taking account of factors such as the importance of their agricultural sector: this would reduce the increased burden on Britain and to a lesser extent.

West Germany. · How do member states stand on this? Britain long opposed any increase in the resources needed

tabled at the end of July, is to to finance the Community but increase the effectiveness of the in June Mrs. Thatcher eased Just before the EEC dis- radical and involve "forced eco- Community's structural funds- her position. Britain is now the Guidance Section of the making an increase conditional sion put forward a 47-page consumers and politicians in European Agricultural Guid- on a fairer distribution of the paper of which the key many countries think they are ance and Guarantee Fund, the burdens of membership and on effective limitation Neither of these conditions

poorer areas of the Community Britain's EEC partners, seven "converge" with the richer. The of whom, led by France, want second is the proposal for an an early jump in the Commisan increase in their bills. Where agriculture is concerned, West Germany and the Nether- EEC is not running out of the need for reform but there are doubts in London about the Germans' current attitude. What has happened to the

"British problem?" It could be a major issue this winter. So far the British Government has managed to win refunds of Ecus 1.175m for

1980, Ecus 1.410m for 1931 and Ecus 1,158m for 1982, reducing its net costs of EEC membership each year to respectively Ecus 337m, 9m and 882m. For 1983 a figure of Ecus 750m has been set aside towards its expected net contribution of Ecus 1,900m.

However, Ecus 307m of the 1982 refund has still to be approved by the European Par-liament, as does the Ecus 750m set aside for 1983. France and Italy have said that payment of the 1983 rebate depends on agreement being reached on how the Community will finance itself. Chancellor Helmut Kohl

these two issues. How would Britain react if its partners refused to pay the refund for 1983 agreed at

of West Germany has also kinked

Stutigart? Badly. One possibility is that might stop all payments to Brussels. This would be the first time a member has done so in such circumstances, though Britain has twice been on the brink of taking this extreme step over this issue. What is Britain proposing

on this front? The Government has proposed the establishment of a "safety net to ensure that no member state is again put in an unacceptable situation." The main element in this is the proposal of agreement on a sliding scale establishing the maximum net budgetary burden that any

country should bear. Countries with an average income per head lower than. say, -90 per cent of the EEC average would make no net contribution to the Community's coffers. The higher a country's prosperity is, the greater should be the share of its GDP it pays as its maximum net burden, What has been the reaction

to these proposals? The idea of the safety net has intrigued the West Germans. the main paymaster of the Community, but received a dusty public answer from the French. The comment of M. Claude Cheysson, the French Foreign Minister, to Sir Geoffrey's talk of the safety net and of limiting CAP expenditure was: "Of the 10 EEC countries. Britain is the anly one yet to join the Com-

....

12 20 10 10 10 1

However in private the -French have talked of something achieving some of the effects of the "safety net." that is an "écrètement des soldes." That would involve major beneficiaries having the funds they receive lopped back, and major contributors having their burdens eased.

What are the chances of an overall agreement this year? Very limited. The Stuttgart summit agreed that matters should be wrapped up at the Athens European Council in December, but most members think the complexity of the issues mean that agreement is unlikely before the French take over the EEC presidency in January: the EEC March

Optimists argue that all countries now know the issues agreements have improved. The pessimists fear that the trate minds this autumn Most seasoned Community

watchers expect a rough time ahead. One EEC official, remembering Mrs Thatcher's forceful debut in 1979, comments: "The Athens summit will make the Dublin one look like a family

Labour's not so lunatic fringe

the Labour Party, which has seriously, been strong since it lost the General Election in a landslide, is stronger than ever at the moment. The party has gained nothing from the lacklustre start to Mrs Thatcher's second term, its potential leaders are jockeying for position within the party rather than addressing the electorate outside, and some other luminaries are talking nonsense. When the cat's away. the mice will play.

Neutralism

This is altogether too complacent a view. Labour is still the major opposition party (especially when the Liberals fall to in-fighting), the Government's luck may not last forever, and it is still important to pay some attention to what Labour's leaders are saying in their serious moments. It may be safe enough to ignore Mr Ken Livingstone when his Irish sentiments carry his rhetoric away into lunacy, but not so safe to ignore what would once have seemed extreme statements from Mr Arthur Scargill or Mr Michael Meacher.

It is significant, for example, that Mr Neil Kinonck, Labour's purative leader, has not disowned Mr Scargill's attack on Britain and the U.S. as meneces to peace, though he has added the USSR to the list. The strong strain of neutralism in Labour's thinking has survived the election defeat - the retreat has been on anti-Europeanism, and on the commitment to massive public borrowing.

Neutralism was a vote-loser in June, when voters were still impressed by the resolute Falklands approach, and Mr Andropoy was still sufficiently concerned with establishing his power base in Moscow to keep his peace offensive hesitant and attack the British and Ameri- listened to attentatively.

THE TEMPTATION to write off can reluctance to negotiate

Mr Michael Meacher's proposel for a national income ceiling as a thoughtless piece of party vote-catching: but again, he is only giving extreme expression to a strong strain in Labour thinking. Labour's so-called right wing—it is rather the wing that tikes to win elections from time to time is by no means moderate in all things.

strongly egalitarian, schools, and latterly suspicious of the City.

Mr Roy Hattersley, with his attachment to minimum wage legislation and his call for direction of investment funds, is solidly in this tradition. If he does succeed in winning election as Mr Kinnock's deputy. the two are likely to find themselves in strong sympathy on a wide range of issues: that is why the hard left, which has never trusted Mr Kinnock, is trying so hard to instal Mr guardian of Conference deci-

In that case we will have a Labour Party which is uncomfortably egalitarian and neutralist, but a party which could still win an election if Conservative policies continue to produce disappointing results. The re- Manuel, 74, was sentimentally muted. The mood could quickly flection in the polls of the attached to the desk because change as his overtures become expected slowdown in real more persuasive, and as even incomes may before long remind life. Lord Carirngton is moved to us that Labour must still be

Again, it is easy to dismiss

The old Crosland wing of the Labour Party-now divided between Labour and the Social Democrats—has 'always been bashedly in favour of high taxes on the rich, high social spending, opposed to the public

The hard left always has the itch to render Labour as unelectable as it was in June, but it may lack either the power, or the inclination, or both, or it may even have learned something from this year's experi-

Hall-mark

EEC revenue

Tycoons hoping to cut a dash in Peking may like to know about the Chinese capital's choicest spot for business entertaining—the Great Hall of the People. Where other capital cities might give you a stuffy answer if you tried to use, say, the House of Lords for a buffet supper or the White House for a working breakfast, China is happily and profitably renting out the imposing hall for largescale formal banquets.

Latest to use the Hall is Hong Kong conglomerate Hutchison Whampoa, cracking open a few bottles of Maotai last week to celebrate a successful corporate climb up the 25,000 foot Mount Muztagata in Xinjiang Province.

I am also told, if your interests tend towards the amorous rather than the culinary, that the Great Hall of the People is also available for weddings and similar functions. Try that in the House of Lords.

Chair-lift

Now that the Mexican Government has announced its tain level, a Christmas tree \$206m compensation for Ban- appears on the screen, together comer, the country's largest with a top-hatted snowman and Winning system bank, which was nationalised a electronic snowflakes. This is Yglesias, the former chairman, punched-out request to process is hoping to get back his desk. workers to take out a truck and was the major shareholder in Bancomer. He built up the bank tested yet. from scratch into an enormous financial empire with some \$14bn in assets, 660 branches, including offices in the world's Marriage lines major financial centres, and equity stakes in numerous com-panies. But it was the loss of his desk and a priceless collection of pre-Colombian figurines, kept in his office where he also had piped music, which caused him the most distress. Don

Men & Matters

over the banks in a desperate women graduates who remain bid to stem the country's single. liquidity crisis, Don Manuel was unable to retrieve the desk, as a police guard was put on the

The new chairman of Bancomer. Ernesto Fernandez Hurtado, a former head of the Bank of Mexico and uncle to President Miguel de la Madrid does not like to use the desk or Don Manuel's chair. When Fernandez Hurtado, who was privately against the nationalisation, receives visitors in his office he asks them to sit in Don Manuel's chair" in a symbolic gesture of respect. He now hopes to return the chair and maybe the figurines.

Weather glass

Another example of how computers are promoting labour flexibility—this time

The control room at Pilkington's new float glass plant at St Helens has a visual display unit keyed into sensors measuring the outside air temperature.

When this falls below a cer-Manuel Espinso followed by an electronically Don Manuel, as he is called, grit the roads around the plant. Of course, it has not been

Spare a thought this morning for Singapore's unmarried women graduates. Having dutifully pursued their careers to help build a better Singapore. they are suddenly facing official pressure to marry and have

Prime Minister Lee Kuan he had used it all his banking Yew, himself a Cambridgeeducated lawyer, started the When Jose Lopez Portillo, campaign by voicing concern Mexico's last President, took about the high proportion of

This, along with the tendency of the less-educated to have a lot of children, he said meant that "levels of competence will decline, our economy will falter. the administration will suffer,

and society will decline." Taking its cue, the pro-Government local press has since featured supportive articles almost daily on the nature/nurture question. But the so-called "Great"

Marriage Debate" took a fresh turn over the weekend, when Dr Goh Keng Swee, Deputy Premier, and acknowledged architect of Singapore's "economic miracle" said the Government wanted to buy a Japanese software package which could match women graduates with husbands so that they could produce children able to secure better results at school. All this has aroused plenty of controversy among the city the bottom, as it were, had state's 2.5m population. But Lee and his Government are ket. plainly in earnest. The next step could be a batch of economic incentives modifying see, our seats are so strong,

two children.

A team from Rediffusion Radio Systems, which earlier this year won the FT-sponsored UK. national management game, has gone on to become the European champion,

parents from having more than

Seven teams—out of an original field of 1,700 — competed in the finals held at the 13th century Schloss Gracht, Cologne, home of the internationally-known management training school USW.

Holland, Denmark and Sweden were eliminated in the semi-final, and the Rediffusion side - Mike Harwood, Len Porter, Don Collishaw, Ron Norwood and Hugh Woolley—contested the final round against teams from Germany Finland, and the Irish Republic, winner of the last two cham-

The Rediffusion decisions generated a profit of £6.8m on the computer model. more than £1m ahead of the Irish team in second place. Harwood celebrated the team's triumph by swimming the castie

Bottom line

Selling loo seats is not quite the cosy business it might appear. Nobody knows this fact better than jovial Ron Sparrow. chairman of Blagden Industries, which makes 35 per cent of the

UK's plastic loo seats. . Sparrow used to run a thriving export trade to Iran 'until four years ago, when the Ayatollah Khomeini came to power and ordained that all good Moslems should abandon degenerate Western habits and henceforth squat. Before long, fallen out of the Iranian mar-

the present family planning you could stand on them if policy, which discourages you were that way inclined."

That figures The spirit of IBM, the com-

puter and business machines giant, seems to pervade even the hotels in the tiny town of Armonk, 30 miles or so north of New York City, where it has corporate headquarters. They serve "The IBM Break-fast" there. What's that? "Well," one recent visitor said, "it's just an ordinary Continental breakfast—but it's served very much earlier."

announcing "The Meek Shall Inherit The Earth," someone has written: "Serve them

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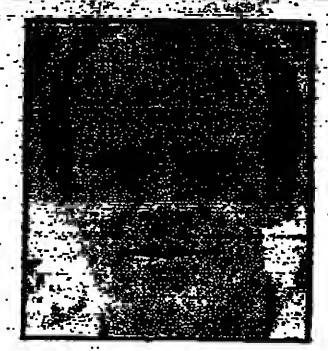
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summit is seen as critical.



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most remarkable institution.
Visitors should not be misled by the row of tall paim trees outside, which lead as oriental flavour to the heavy mineteenth-century of its headquarters and muffle the did of the traffic on the Via Nazionale. The central bank is arguably the most professional and West-Europeanised part of the apparatus of the Italian cas often seemed the Italian

Bank of Italy flameringly perceived abroad, his pressize at home is no less. Its authority stems not merely from the breadth of its powers, but from its evident neutrality and independence, and alcomess from the political fray. And nowhere are the powers broader, yet more carefully to. be exerted. then in the Bank's duty of superintending the

State.

domestic banking system. In statistical terms along the task is downsing. The central bank presides over a regteg arms of no less than 1.060 individual banks. They range in size from interputionally known institutions, like the Banca Commerciale or Credito Italiano, controlling funds of \$25,000m or more, to the tiplest monte di pietà, which centuries ago had started life as a pawnbroker's, and teday might boast a single branch in a small town. All of them, though, have to comply with strict regulations imposed by the Bank of Italy. To ensure that they do so, the Bank's vigilanza, or supervisory department, will carry out up to 150 inspections enmually. meaning that every bank, large or small will have its books gone through every seven ar

But from the mid-1980s on the job acquired an added political for potential high-flyers. By the sensitivity. The banks were time he was 36, he had been becoming sources of finance, above and below board, for the political parties; especially the bilities on the supervisory side. Christian Democrats, but later. as -Ambrosiano showed, for formed outstandingly, and in other parties as well. The banks, moreover, would Bank's three deputy general

help finance the rival empires managers, and a member of the built in those years by politic five-man: "directory" at its ally sponsored industrialists. It was the era of linky's "chemical. war," in which hundreds of doubted that Sarcinelli would

The extraordinary story of the collapse of Banco Ambrosiano is told in a book by Rupert Cornwell, the FT's Rome Correspondent, to be published this week. In the first extract he describes . . .

The Bank of Italy v Calvi

billions of lire were spent on one day be Governor himself.

large new plants, by flamboyant. Italy by 1978 was on the way figures like Nino Rovelli of SIR back to conomic health, at least in Milan, the idea of sending without greater detail of the said Raffaele Ursin of Liquiby its own standards. An reinforcements from other operations in Luxembourg and chimics. All was paid for by important contributory factor divisions of the central bank in Nassau, the nature of whose and Raffacie Ursini of Liquis by its own standards. An chimical All was paid for by important contributory factor chesp loans from the State, was the tight credit policy channelled through a compliant enforced by the Bank and banking system.

Baffi's lack of sympathy for the chesp loans from the State,

As the parties appetite for funds increased to finance their ever more unwieldy mach-State. To foreigners, indeed, it but later others like Licio Gelli

Michelo Sindona easily Inevitably, the Bank of Italy's menectors were increasingly pressed to then a blind eye to

Pacio Baffi, who moved up from the post of general manager to succeed Guido Carli as Covernor of the Bank of Italy in 1975, was not one to adjust comfortably to the desires of politicians.

Baffi has been called central banker's central banker." and few have won such widespread esteem. Under his guidence Italy stared astonishing economic recevery between 1976 and 1979. His skilful handling of the lire's entry into the European Monetary System in 1979 was universally praised Baffi, in short, was everyone's idea of a central bank governor. Except that is, for the politicians for whom he had little time. Under him, and in charge of

the supervisory department, was Mario Sarcinelli. His career, too, had been exceptional. Sarcinelli had joined the central bank in 1957 at the age of 28, with a special scholarship. He served in the research department, the traditional mirrery promoted to the rank of direttore centrale. with responsi-In this post, too, Sarcinelli per-1976 was appointed one of the summit, sions with the general manager and the Governor. Few

industrialists who, with the aid of the political patrons, had

the politicians, SIR

the event, much requested assets remained a mystery. Information on Calvi's foreign These assets in turn were so subsidiaries was simply not substantial that any discrepancy forthcoming. Calvi claimed that might make a large difference. to have done so would have Given a central bank's taste prospered on the State's been to breach the banking for caution and understatement, largesse.

Requests for funds, so The argument was hardly conreadily available in the past, vincing. Calvi was after all mendation of the inspectors: were coldly met and chief chairman of both the Milan "There is a clear need to cut among the victims of the stern parent and of the two sub-back the network of subsidiaries larities - and increasingly forced to leave Montedison. until November 17 1978, seven

> 6 The "Bank of Italy Affair" had begun. No episode before or since has illustrated more clearly the sinister side of public life in Italy.

old Baffi enemies: and he and Sarcinelli were to make more for the unforziving way in which Bank of Italy inspectors were despatched into financial institutions most entangled with the politicians. No one any longer was exempt. The inspectors went through the books of the banks of Pesenti, exposing the dikious means by which he had extricated himself from Sindone's group. In 1978 it was the turn of Banco Ambrogano and its secretive chairman, Roberto Calvi.

Sarcinelli knew full well that Calvi's bank, with its entrenched secrecy and cobweb of interests inside and outside Italy, would be an especially awkward assignment. No less than twelve inspectors (almost a quarter of the total) were sent to Milan. compared with just two who had drawn up the previous report on Ambrosiano in 1973. At moments during the six months investigation, it seemed

This rigour earned the 67-year- months later, that the job was The language of the Bank of

Italy's report on Banco Ambrosiano was duli bureaucratic, and its length, including 26 appendices, pan to over 500 pages. What was exceptional was the quality of its financial detective work and the conclusions it resched. The report identified every basic ingredient of the future disaster, as well as providing the groundwork for the charges on which Calvi was to be convicted in July of 1981.

Ambrosiano was "Not at all

satisfactory." The report then explained why, Ambrosiano had expanded with extraordinary speed in the last few results were there to show for it, but they had been achieved thanks to not prove was that these fancifrequent intringement of the ful creatures were the property supervisory department's regu- of either Ambrosiano or of the constructed a foreign network their suspicions. The growth which allowed it to move large of the mysterious assets in that even a twelve-man task sums around, free of scrutiny Nassau "might not be unconforce was not enough. As the group got to grips with Calvi's by the Italian "currency nected with the massive purlebyrinthine share dealings, authoraties. Any technical

nouveau regime was the chemi- sidiaries which aroused most which Ambrosiano has created cal industry, bloated by the suspicion, Banco Ambrosiano abroad. They must also be illusion of cheap, pre-Yom Holding in Luxembourg and forced to provide more informa-Kippur oil and the complaisance Cisalpine Overseas in Nassau. Uon and figures about their real and but there was nothing at the assets, to avoid the risk that Liquichimics collapsed, and time to be done. In the teeth a possible inquidity crisis on prope to uncover secret irregu- even the formidable Cefis was of such obstacles it was not their part might also affect the Italian banks, with all the unfarourable consequences that might entail." The circumstances of the collapse four years later could hardly have been set out more clearly. . The report then went on to

point a heavy finger at the mechanism of the fraud Calvi was elaborating. It identified the crucial chain of command from Milan, through the Banca del Gottardo in Lugano, to the key—Cisalpine Overseas Nassau Now Cisalpine more than \$200m from Banco Ambrosiano in Milan. On the other side of its balance sheet were \$183m of assets described only as unspecified "financings" where had they gone? The On the board of the Nassau hand.

inspectors recorded other clues. bank sat not only Calvi but Archbishop Paul Marcinkus. chairman of the IOR, which Cario Olgiati, Ambrosiano's general manager, had told them was the owner of Suprafin. Now Suprafin had been the mysterious buyer of 15 per cent of Banco Ambrosiano's shares between 1974 and 1977. These runthrough of the major credits shares had in turn been des- extended by the bank in the patched to that clutch of Liechtenstein and Panamanian would enquire if there were any companies, with names like Cascadilla and Orfeo.

What the inspectors could The bank had IOR, but they certainly had chases of Ambrosiano shares" respects "patently inadequate"



Ambrosiano group. As for the had only 1.37 per cept of Banco Ambrosiano. But again, "could not be excluded" that it owned more, in the person of the Panamanian companies which had bought such large blocks of Banco Ambrosiano. with the express blessing of Cisalpine, and on Cisalpine's board, of course, sat Archbishop Marcinkus of the IOR.

But there was more. inspectors judged Ambrosiano to be under-capitalised. They found breaches of the banking law, and severe organisational shortcomings - principally that Calvi was running Ambrosiano as he pleased. Board meetings did take place once a month. as prescribed by Ambrosiano's statute: but mainly to endorse decisions which Calvi had taken. and often implemented, before-

They must have been remarkable occasions, rather like a priest celebrating mass. Calvi would deliver a brief sermon. to which the other directors would reply with a respectful Amen. A 20-minute monologue by the chairman would typically be followed by a rapid previous month. Calvi routinely questions. Invariably there were none, and proceedings were over. The report condemned the board for its "supine acquiescence," while Ambrosiano's official auditors were described as "superficial and

unquestioning." The central bank's conclusion was that Ambrosiano's internal organisation was in some

tion. The inspectors suggested granted, and thus force a Liechtenstein and Panamanian "so that the real destination of action abroad can be followed." IOR the Vatican bank said it The restructuring, of course, never took place. On Saturday March 24, 1979

> calamity overtook the Bank of Italy. In the middle of the morning officers of the Guardia di Finanza, the country's financial and customs police, entered the central bank to arrest Sarcinelli. The deputy general manager of the Bank of Italy was taken to the Regina Coeli (Queen of Heaven) prison on the bank of the Tiber in central Rome, charged with deliberately concealing evidence from Rome magistrates investigating the collapse of the now bankrupt SIR of Nino Rovelli, A similar charge was brought against the Governor himself.

The "Bank of Italy Affair" had begun and no episode before or since has illustrated more clearly the sinister side of public life in Italy, the contras between the platitudes dispensed by the politicians in public, and the private, historical reality of fiercely competing interest groups and

Just who was behind the attack on the Bank of Italy no one to this day can say with certainty. The "smoking gun" in Italy is rarely found: despite Gelli's mania for files, photocopies and tape recordings, pressures and comivances are often undocumented, even unspoken. But the circumstantial evidence is overwhelming, that an attack it was-or rather a counter-attack, carefully framed to teach the central bank a lesson it would not forget

Probably the investigation of Ambrosiano was not the only reason. Rather, the inspection of

Objectively the campaign of Baffi and Sarcinelli to throw light on the dark corners of faulted. Realistically, however, to have tried to do so without adequate political "cover" beforehand was perhaps naive and inviting reprisal. Not just its timing, but the sheer disproportion between the imprisonment order and the dubious, highly technical nature of the supposed offence sug-

deliberately punished. Sarcinelli was to leave prison a fortuight later, hurt and confused, but already suspicious of the origin of the attack. In Milan the word was going around that Calvi in some way was connected with the attack on the central bank; while Sindona from New York was soon boasting that he had secured his revenge on the institution responsible for his persecution and downfall. Even after his release, the magistrates remained opposed to Sarcinelli's

gested that Sarcinelli was being

reinstatement. With Sarcinelli's removal, the rigilanza lost many of its teeth and some of its nerve. In June he was allowed to resume his post at the Bank of Italy, but had been moved by then to the harmless—as far as the politicians were concerned—international monetary side. Only in January 1980 was the slate rubbed clean, when the charges against both Baffi and himself were dismissed for the trumpedup nonsense they were. But by then the desired effect had long been achieved—and a new Governor had taken over from

© Rupert Comwell 1983
Extract raken from "God's Banker" -en account of the Life and Death of Roberto Caivi by Rupert Cornwell, to be published by Victor Gollancz on September 1, price £8.95, A second extract will be pub-Calvi's bank in 1978 was but lished in Thursday's FT.

Japanese way with companies

From the PA Consulting Group makes fascinating reading

Fascinating for two reasons.

authority to local managers.

accept any more that their own London, SW7.

through a determined exploita-European multinationals work. This is yet another illustration of the Japanese market ing there are criticised for tion of the increasingly prevatiself—opened up as a result exactly the same faults. There lent view that politicisms, and of political pressure but still is probably little to choose bureaucrats, with their threats under-exploited by European between Japanese and European of dire economic consequences companies. One reason is that companies when operating in if Japan doesn't too the line, the politicians still persist in each other's countries—although are the only people who can telling everyone that the market it might be argued that contain the Japanese industrial is closed. It isn't, as recent European multinationals, with advance. Public pronounce- studies by both European and their greater experience of ments by politicians have had U.S. companies clearly prove.

statistic From Mr A. M. Sultan

M1, an erratic

Sir,—As an importer—yes. dare to admit it-I have to monitor the currency markets

It is apparent to me that the continued weakening of the dollar against the European currencies results from two

Yes, M1 is a good statistic ("statistic" being the key word), when one stands back and watches the trend over a period of time-but to base one's policies on the inaccuracies of one week's figures is ludicrous.

Sir.-In your leading article (August 20) you express consternation that the total. recorded imports of the world seem likely this year to exceed its total recorded exports by

> to watch has been well documented by many eminent economists, representing the whole spectrum of economic persuasions. They may not agree on which "M" (or "M") to elect as their guardian angel, but I doubt that any one of them would condone any decisions based on statistics compiled on the shortest of

Surely it is about time that lished aggregate as M1. A. M. Sulfan,

6 Daylesford Road, Cheadle, Cheshire.

Letters to the Editor

by Christopher Lorenz on Dr firms a disconcerting and

The first is that anyone who has worked in Japan knows that overseas operations, should be predictable consequences. Sec- Mark Smalley, better than their Japanese tions of European industry have Overseas Director, counterparts when it comes to become complacent and hardly Japan Operations, integrating national staff.

Japanese companies in Europe challenge. and force them to give more

The second reason is much industrial intitiative is the only Sir,—The article (August 22) more serious. The article con- way to contain the Japanese. How much better, surely, if Trevor's new book about counter-productive trend. Dr the politicians stressed that Japanese companies' manage- Trevor's book, apparently, sug- there is a limit to what they ment difficulties in Europe gests that political pressure can do and that industry in might be brought to bear on Europe has to rise to the

lesson: strength in numbers.

World-wide black

the sum of \$100bn; le some-

thing like 6 per cent of total

world trade has vanished down.

when I was a lad this country

cal purposes on a CIF basis.

and exports on an FOB basis;

a system calculated to show the

unfavourable light possible. As

revised they usually look a good

Times may have altered, but

some statistical black hole.

From Mr N. Ridley

Stepney Green,

economy

Council house sales to tenants

From the Director of Finance, Copeland Borough Council

Miss B. North (August 23) is, R.C. Wright. perhaps, more correct than she realises in stating that "selling houses to tenants is a huge and complicated subject."

She advises Mr Cole to do a

little more research in which case he will find the benefits Strength in to the ratepayer of selling as many council houses as possible. In fact, anyone doing such research will discover that In many places the ratepayer will not benefit one iota. There are many councils where the council housing service is completely self-financing, with no subsidy from the ratepayer or taxpayer, and has been so for years. According to the CIPFA "finance and general statistics 1983/84 no less than 65 Councils are this year using surpluses on their housing services to subsidise their ratepayers. In some cases this is undoubtedly due to council house sales, but not in all.

disparity between the circumstances of different areas, which applies not only in the field of council housing but over a local government is opposing and impose greater management charge at a ratio

uniformity of financial treat of monies spent on the block, ment over local authorities?

The sale of council houses is not a subject on which sweep- Kevin d'Arcy. ing generalisations can be made. Each council has different 9 Dunstan House. circumstances, and what applies London, E1. Sir. - Your correspondent to one will not apply to all.

Council Offices, Catherine Street, Whitehoven, Cumbria.

numbers From Mr Kevin d'Arcy

Sir,—Isabel Alverez of Abbey Court (August 23) and others who are suffering unduly from excessive increases in service charges, as flat leaseholders, take cheer.

Here, at Dunstan House, we

recorded its imports for statistisuffered as Sadly with a fivefold increase in services charges in about as many years. The charge for management services then was much more than was spent on the block. True, our landlords were slow to help at first. But we found that these agents, on behalf of these landlords, had been doing This exemplifies the wide the same all over London. So we formed a residents' associa-

tion and simply went on strike. We paid our ground rents, to likewise, probably a good part wide range of services. Is it pay the same service charge as can be attributed to this reason, any wonder, therefore, that before, plus 10 per cent for and things are not quite so inflation. Finally, the landlords bad as they appear to be at first. helped us out by appointing a N. Ridley.
fresh new firm of agents, who have promised to keep their Appledore, Sunnyside Close,

A good way to start might be

closely, especially the U.S.

Firstly, a simple band-wagon effect, perpetuated by those that know no better, and secondly, and far more importantly, due to the myopia and naivity of certain gentlemen, either in the Fed, or in other spheres of U.S. political life, who are basing a country's monetary policies ("country" being synonymous with "the world" in the case of the U.S.) on an erratic statistic, namely Mi.

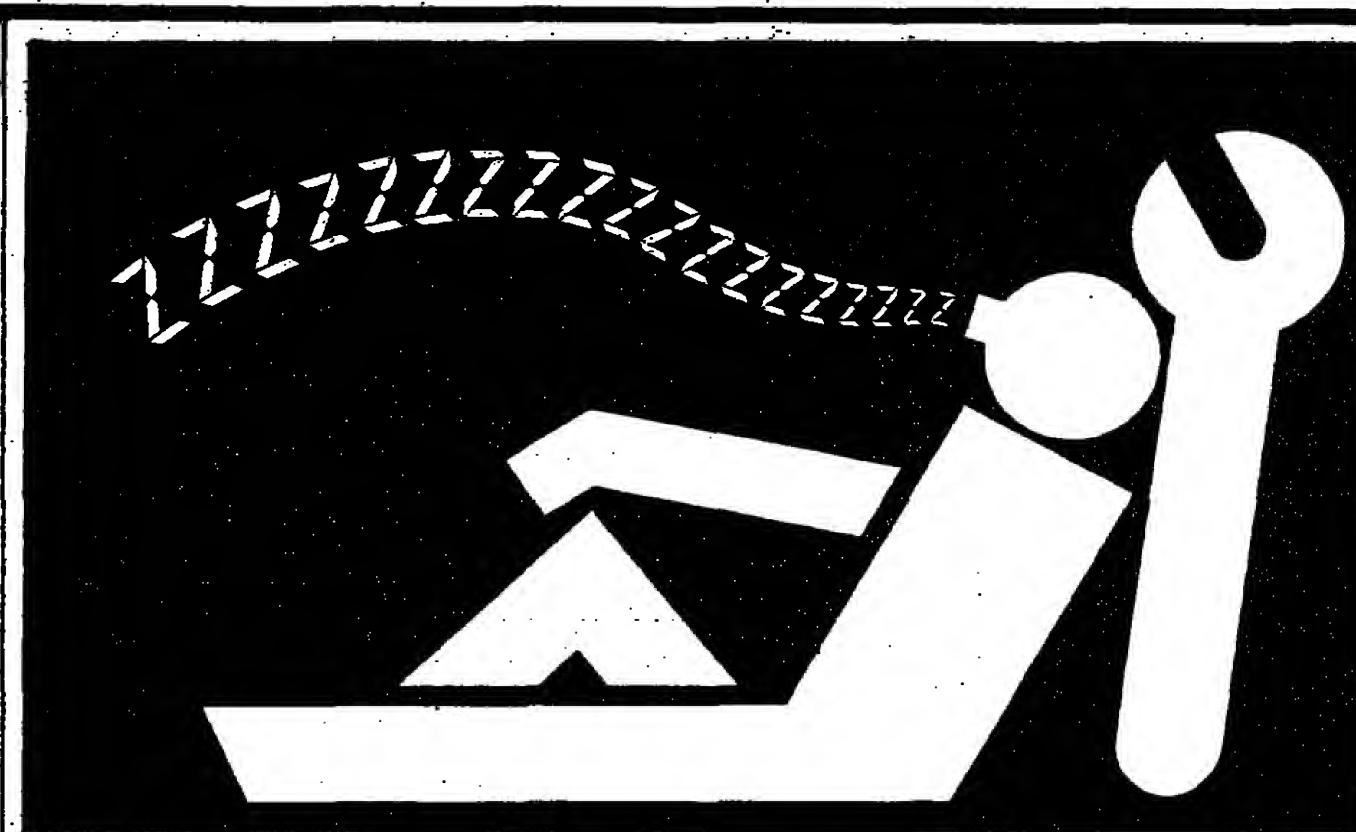
This would not be such a major crime, if its shortcomat the moment 15 per cent. The ings were appreciated. (This must be considered in addition to the problem of actually physically compiling such a statistic for the U.S.'s financial leviathan).

What will happen a few weeks hence, when some other factor comes to light, previously ignored in the published

Will we then suddenly realise that we've been acting unwittingly contrary to our own interests? You can't throw the dirty bathwater out of the window and catch it the follow-The problem of which "M"

balance of trade in the most you say later in your article, when official statistics are deal better—probably because like has been compared with If we still adopt the same system, and other countries do

prevent eviction, then offered to of the 6 per cent discrepancy people realised the sheer stupidity of making decisions based on such a weekly pub-



The new Toshiba BD4515 copier is so reliable there's one part that never seems to do anything.

On every Toshiba BD4515 copier, there's a little pink man who lights up if ever the copier THE LCD PANEL WITH EASY TO FOLLOW SIGNS. should break down.

But it's very doubtful that you'll ever see him leap into action There he sits, spanner at the ready, on

the LCD colour display panel. The LCD panel is a device Toshiba actually pioneered, though it's fast becoming standard on other copiers.

(We find it flattering that others choose to copy our copiers). Every function of the machine is clearly

indicated by little signs on the LCD panel lighting up. So you always know what the copier is doing. However, the LCD panel isn't the only feature

Which is all very impressive when you consider that it's just a desktop size copier. But then, such innovation has made Toshiba a leader in all fields of electrics, electronics

are either too dark or too light.

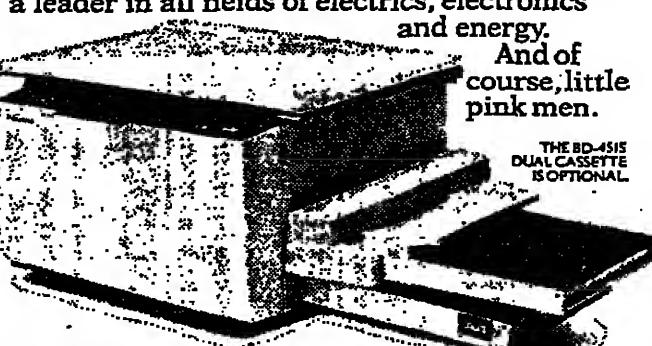
that makes the BD4515 copier easy to operate.

cards. Not to mention the automatic exposure

capability as well as a facility to print business

control, which ensures you don't get copies that

There's an enlargement and two-way reduction



In Touch with Tomorrow

FINANCIAI TIMES

Tuesday August 30 1983

Coalition

presses

Begin

By Patrick Cockburn

SUPPORTERS of Mr Menahem Be

were pessimistic last night that

they would succeed in persuading

him to stay at his post. At a Cabinet

meeting on Sunday, Mr Begin, who

has led the Israeli Government

since 1977, said he planned to re-

parties who are members of his

governing coalition, Mr Begin

agreed yesterday to delay his resig-

Ministers in his Government said

they had only a slender hope that

he would reverse his decision. A

Government-spokesman said the

Prime Minister had not announced

his departure as a tactical manoeu-

vre to strengthen his hand in the

ruling coalition, which has shown

increasing divisions in recent

sion as a result of the death of his

wife last winter, and frustration al

disunity in the Cabinet are cited as

the most important reasons leading

to his decision. The failure of the

war in Lebanon to achieve the aims

originally hoped for, and Israel's

parlous economic state, are also

mentioned as motives for Mr Be-

The pivotal role he plays in Israe-

Mr Begin's failing health, depres-

nation until this morning.



SENIOR MINISTERS MEET TO DECIDE FINANCE POLICY

EEC crisis talks on bankruptcy

BY JOHN WYLES IN BRUSSELS

AN UNPRECEDENTED August gathering of 30 senior EEC Ministers will open a period of intensive negotiations in Brussels today designed to save the Community from bankruptcy and from further endless battles over how it should be financed.

Meeting on the instructions of the Stuttgart summit of heads of government in June, the foreign, finance and agriculture ministers from the 10 member states have very different appetites for the task which lies ahead.

Delegations are predictably divided on some of the key issues - especially how to curb the spending on the Common Agricultural Policy (CAP) - but there are also differences between ministers in the same governments on how some of the key problems should be tackled.

As a result today's exercise will be more a "necessary warming-up exercise" - as one senior EEC official put it yesterday - than a serious negotiation.

The formal burden imposed by Stuttgart is to prepare a package of draft agreements for completion at



Dr Gerhard Stoltenberg the next summit in Athens in De-

These are supposed to provide stronger controls on farm spending. permanent limits on Britain's budget payments to Brussels, a raising of the ceiling on the Community's budget revenues and the tailoring of policies better suited to an EEC

membership to be enlarged to include Spain and Portugal.

entirely on the European Commission's proposals for sapping the CAP's appetite for funds. Current farm spending is more than 30 per cent above last year's level, and has taken the Community to within around £27m (\$40.7m) of spending

all its available cash this year. The hope is that the presence of finance ministers at the special istic approach among agriculture ministers towards reforming the CAP. But while they are steadily exerting a more cautious approach to EEC spending, there are signs that finance ministers are not having it all their own way in national

In West Germany, Herr Gerhard Stoltenberg, who is hotly in favour of strong curbs on the Common Agricultural Policy, has been losing ground to his agricultural colleague. Herr Ignatius Kiechle. Thus the West German line today will oppose any reforms which would lead to cuts in the nominal prices paid to German farmers

This bodes ill for the Commission's proposal to eliminate mone-Today's meeting will focus almost tary compensatory amounts - pay-

tween common EEC prices and prices in national currencies. It also strikes against any attempt to use a highly restrictive price policy to peg

back spending on the dairy sector

The British bid to have an EEC regulation decreeing that the rise in farm spending should be less each year than the rise in EEC budget revenues is also running into heavy seas. More generally, only the UK and the Netherlands seem prepared to mount a radical attack on the CAP's current operations.

France is prepared to see stronger controls on northern European production - as the Commission has proposed - while leaving Mediterranean producers largely untouched. Other countries, such as Beigium and Denmark say the new burdens to be put on farmers should be spread equally between north and

But a consensus may seen be forming against the UK and the Netherlands in favour of butting curbs on imports of cereal substitutes and of taxing vegetable oils so as to reduce imports of soya bean. Why the cranch is coming, Page 12

Area

the strength of the reaction to his announcement in the Government levy. and in Israel as a whole. Since the enforced departure of Mr Ariel Sharon as Defence Minister earlier this year, after criticism of his actions during the Chatilla massacre in Lebanon, there has been no authoritative figure in the Administration apart from the Prime Minister himself_

gin's surprise decision.

Members of the coalition are very much aware that the Government's support, though in decline this year, is largely dependent on Mr Begin. If his resignation is confirmed then his most likely successor will be either Mr David Levy, the Deputy Premier and Housing Minister, or Mr Yitzhak Shamir, the Foreign Minister.

A government of national unity is conceivable, but it is expected that Sea oil to the UK economy, Britain Mr Begin's coalition will seek to was a marginal influence in terms | stay in power while a new party leader establishes himself. The coalition has 64 seats in the Israeli parliament compared to 56 for the Labour Alignment In the past month, the Govern-

> wide range of budget cuts, including economic situation. Background, Page 2

ment has been trying to agree a

square up for UK navy deal

There are suggestions that the Navy would prefer either Exocet or Harpoon. The Oto Melara and Matra missiles, according to some observers, are likely to be the outsid-

Somewhat ironically, the Govern-

Decisions on both the sea-skim-

defer debt talks

Continued from Page 1

amount to several hundred million dollars and particularly affect private sector debt

The arrears have arisen more through bureaucratic indifference than actual shortage of foreign exchange but the problem has been

feud between the country's Finance Ministry and its central bank This came out into the open over the weekend when Sr Leopoldo Diaz Bruzual, the President of the central bank, complained that the

British Gas If British Gas really is a candi- of about 3 per cent - seems somedate for privatisation, its powers . what excessive and operations will need a radical

THE LEX COLUMN

Meter failure at

overhaul. Unfortunately last week's efficiency study of the corporation by Deloitte, Haskins and Sells seems almost wilfully to have directed its attentions to the wrong targets. As a monopoly, British Gas is the state agent for collecting the economic rent on most North Sea gas. Ideally it should pass on that economic rent to the Exchequer and After a meeting with leaders of derive its profits from the efficiency with which it distributes its product. But successive governments have failed to establish a clear distinction. The gas levy is arrived at through negotiations in which governments have been at a profound £76m in real terms. disadvantage since they have not been able to measure British Gas's But that achievement tells outsid-

> Its success in the negotiations is underlined by Deloitte's finding that the corporation has consistently met the financial objectives set for it. There is certainly no denying the group's profitability, even though it employs every conceivable device to depress the figures. Current cost profits in the year to March 1983 were £663.1m. but that After this limp attempt to meaexcludes the Corporation's very own 100 per cent capital allowances in the shape of "replacement expenditure" of £263.5m on assets.

li politics was rapidly confirmed by profits last year were probably in excess of £1.2bn after a £523.5m gas The corporation does not provide anything as old fashioned as a historic cost balance sheet, so it is not possible to derive a return on capital figure on this measure. But its own estimated current cost return. at 5.7 per cent. comfortably exceeds the Government target of 3.5 per

The more traditional current cost

adjustments come to £371.3m. so on

a conventional historic cost basis.

efficiency.

While it is possible to guesstimate the extent to which profits have

can make no headway in assessing duced - if at all - by excessive lay- on an erratic basis. ers of bureaucracy and other ineffi-Gas's efficiency against internal yardsticks. It finds that if all the regions were brought up to the standard of the most efficient, savings of £100m a year could be made. tion has already found savings of

ers very little. If BP two years ago had tackled its refinery operation with a view to bringing the worst up to the standards of its best, no doubt it would now still have the most inefficient downstream business of the majors. Internal comparison is all the more invalid because of the degree of cross-subsidisation between the regions.

sure efficiency, the Deloitte study goes on to recommend that British Gas raises its revenues a further £500m by increasing selling prices to the level of its most recently contracted source of gas. In a competitive environment, a business that thied to raise its prices to produce a "normal" marginal over its highest marginal cost would rapidly find itself undercut by rivals. In essence, Deloitte is asking British Gas to treat its most recent contract as a kind of marker price, and treat the margin between this and all cheaper supplies as a measure of econom-

So the Deloitte high price stratecent. For a state monopoly, the risk gy is feasible only for a monopoly. premium over index-linked gilt- and one that is pretty impervious to edged - now offering a real return public sentiment at that The im-

portance which Deloitte places the most recent contracts seems to be based more on inflationary psy chology than anything else, since if future contracts were expected to accounting practices, an outsider be cheaper on occasion, as well as dearer, the absurd outcome could how much the return has been re- be gas tariffs shooting up and down

d 25

rate

ELROPF

MARIE ESTA

ciencies. On this topic, the Deloitte strongly disagrees with Deloitte's report is particularly disappointing pricing proposals. Yet it has come because it has measured British no closer to a coherent pricing prices as low as possible (at least for private consumers) simply begs the question, especially when energy pricing enters the political arena Since this assessment, the Corpora- at regular intervals. But the price question must be settled before British Gas can pursue profit maximisation as a legitimate goal. The negotiable gas levy looks particularly dubious in this light.

> Even if the returns from access to cheap gas could be switched from the corporation to the state, it would still be necessary to ensure that there was some incentive for efficiency in a privatised British Gas. The two pressures on British Telecom are to be competition from Mercury and reduction in real prices. The latter looks out of the question for British Gas, since the price of its raw material would not be under its control. At the same time competition would be a great deal more complicated to introduce even than in the telecommunications field. The best that could be done, perhaps, would be to break up the corporation into regional franchises under a regulatory frame-

Even without its formidable chairman. British Gas looks an awkward customer for privatisation. But whether it is to be privatised or not, the Deloitte study has failed to provide managers with a blueprint with which to increase the corporation's efficiency.

Oil companies to ask UK for extension of tax concessions

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

INTERNATIONAL oil companies are about to press the British Government for a change in North Sea tax rules which treat new fields in the north more leniently than those in the south.

The companies are to appeal for the tax incentives introduced in the March budget in order to speed the development of northerly offields to be extended to cover oil and gas discoveries in the southern basin of the North Sea.

The campaign is being spearheaded by the UK Offshore Operators Association, which represents the leading North Sea licensees but during the next few months a number of individual companies will be submitting data to the Energy De- would be backdated to March this partment to support the industry's year.

Shell UK said: There are obvious anomalies here which need to be resolved to achieve a uniformity of tax systems. This is needed in the interest of long-term development liefs were probably more extensive in the North Sea. We will be providing the Department of Energy with the information it needs about our possible future fields in order to help it make up its mind."

As a result of budget changes, northerly oilfields exploited after April 1 last year have been made exempt from royalty payments. Royalties on fields currently on stream are paid on the basis of 12.5 per cent of the gross value of production. In addition the Government increased allowances which could be used to offset petroleum revenue tax.

A BRITISH professor is expected to

take over the internationally sensi-

tive job of head of economics and

statistics at the Organisation for

Economic Co-operation and Devel-

He is Professor David Henderson

of University College, London. His

appointment will follow months of

discussion among finance ministers

and officials about the kind of econ-

An OECD spokesman confirmed

at the weekend that Prof Hender-

son was "almost certain" to get the

job, although it is said there are still

"some matters to be resolved" be-

fore a formal announcement can be

The OECD is the major centre for

economic analysis and policy co-

ordination for the industrial coun-

tries. Although the organisation

takes a carefully balanced position

in public, some of its economists

opment (OECD) in Paris.

omist needed for this post.

encourage the offshore industry to Furthermore Southern Basin fields speed up the development of new lie in much shallower water than oilfields, found mostly in the cen- those in the north, consequently tral and northern areas of the their development costs are usually North Sea. The Government left open the question of new tax concessions for fields discovered in

tudes 52 and 55 degrees. covered only natural gas in commercial quantities in this southern nous resources.

more southerly areas, between lati-

Companies were told, however, that the Government would be willing to discuss with industry whether there was a need to extend tax reliefs to the southern basin. If a case was made out the benefits

The campaign for a further revi sion of the tax system is likely to be a low-key affair. Operators have been reminded by ministers and civil servants that the March tax rethan the industry had seriously ex-

The package of measures announced in the budget is providing the industry with tax reliefs totalling more than £800m (\$1.2bp) in the four years 1983-87. Real cash flow benefits are likely to total over £115m in the 1983-84 financial year.

Tax issues are also complicated by the nature of fields in the southern sector. Unlike oil prices, which are set by the international market. gas prices are negotiated between producers and British Gas Corporation. As a result gas prices take ac-The move was designed to count of the operating tax regime.

cal of the weight given to monetary

policies in some countries, particu-

Prof Henderson, 56, a former di-

rector of the World Bank's econom-

ics department, and a specialist ad-

viser to the Welsh Secretary under

Mr James Callaghan's Labour Gov-

ernment in the late 1970s, has a rep-

utation for taking a fairly middle-

ground position in current econom-

He has been associated with the

Clare group of economists, which

has argued for a somewhat more

expansionary line in the UK. How-

ever, his ideas on monetary policy

appear to be broadly acceptable

His appointment would bring to an end months of speculation which

started when it was announced that

Mrs Sylvia Ostry, the retiring eco-

nomic director, was to return to the

within the UK Treasury.

ic controversies.

larly the U.S. and the UK.

The Offshore Operators Association says that while the UK continues to import substantial quantities of natural gas from Norway, fiscal So far the industry has dis- measures should be adopted to encourage the development of indige-

The operators group adds that as it is quite possible oil will be discovered in the southern basin, the Government should adopt a uniform taxation system to cover the whole of the UK Continental Shelf.

• Nine new oilfields are likely to be developed in the UK sector of the North Sea following the recent relaxation of the offshore tax system, Mr Alan Gregory, president of the Institute of Petroleum, told oil specialists in London yesterday.

The developments would provide a further 1bn-1.5bn barrels of production - the equivalent of two to three years oil consumption in the UK. Before the tax changes announced in the March budget, nearly 2bn barrels of discovered oil was lying unexploited because the economic and technical challenges were too severe.

Mr Gregory, chairman of BP Oil. was addressing the World Petroleum Congress in London. The event, the industry's leading conference, has attracted some 2,500 delegates including specialists and ministers from China and the So-

Mrs Ostry is said to have suc-

ceeded in keeping the intellectual

independence of the economics de-

partment intact during a period in

which the OECD's traditional ex-

pansionist ideas have been sharply

She has, however, admitted to be-

ing somewhat abashed at the

OECD's failure during the last few

years - in common with many other

forecasters - to predict the depth

and duration of the world recession.

The choice of her successor is

thought to have been considered at

the highest levels in member gov-

ernments, and Mrs Margaret

Thatcher, the British Prime Minis-

The choice of Prof Henderson

rather than a more doctrinaire

academic more closely associated

with U.S. and British economic poli-

ter, is believed to have had a say.

secondment



Despite the importance of North of worldwide reserves and production Mr Gregory said. It contributed only 4 per cent to total world production and its net export accounted for a mere 2.5 per cent of the total oil traded in the world's oil mar-

At a press conference later, Mr defence and tax increases, to pre-Gregory said that the UK offshore | vent further deterioration in the oil industry was set to make a maior contribution to the technology and equipment used by companies worldwide. The UK industry was in the forefront of technology especially for underwater production systems, platform equipment and com-

Mrs Ostry's job is the first to be

filled in a triad of key posts now

falling vacant. Mr Stephen Marris,

economic advisor to Mr Emile van

Lennep, the secretary general, is

leaving next month after nearly 30

pendent Washington economic in-

stitute. He is unlikely to be replaced

Mr van Lennep himself, now 68,

who has held the job for 14 years, is

due to step down in September next

year. Both the U.S. and UK govern-

ments have a keen interest in mak-

ing sure that his successor is some-

one who is likely to be sympathetic

to their general economic ideas.

Among those rumoured to have

been discussed for the post are

Manfred Lahnstein. Herr

Missile makers

Continued from Page 1

ment has also recently called in tenders for another potentially very large contract for what is known as close-in weapons systems (CIWS) years at the OECD, to join an indefor Royal Navy frigates, destroyers and other ships. These are effectively guns - of very high speed and highly automated - which are designed to shoot down sea-skimming missiles in the last stages of their

flight.
The Ministry of Defence is believed to be considering competitive systems from Vickers Shipbuilding and Engineering and British Manufacture and Research Co (BMARC) as well as systems made by General Dynamics and by General Electric of the U.S.

Horst Schulmann, both formerly at the Bonn Finance Ministry, and Mr Christopher McMahon, deputy governor of the Bank of England. Ministry of Defence says.

Briton 'to get key OECD economics post'

ers in the contest.

ming missiles and the CIWS are due to be taken in the autumn, the

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Pinance Ministry had been preparing new foreign exchange rate regulations without consulting the bank.

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have in the past been fiercely criti- Canadian Government service, World Weather

BY DAVID MARSH IN PARIS AND MAX WILKINSON IN LONDON

Brazil gets BIS respite | Caracas and IMF

from which she was released on cies has come as a relief to the

OECD secretariat.

Continued from Page 1

While the Brazilian Government continues to insist it will fulfil its obligations towards its foreign creditions, the President warned that national sovereignty cannot be

tampered with". Over the weekend, Sr Jose Serra-no, external director of the central bank, said the "finishing touches" were being put to Brazil's revised agreement with the IMF. The letter of intent could be signed fat any moment" be commented.

plan to double its exposure in Brazil

by providing loan guarantees of

\$1.5bn has run into unexpected op-

position and the General Accounting Office (GAO), Congress's independent federal watchdog agency, has been asked to rule by September 15 whether the action is legal. Senator William Proxmire, the

ranking Democrat on the Senate Banking Committee, last week asked the GAO to investigate the \$2bn in loan guarantees for Mexico and Brazil which Eximbank announced a fortnight ago. Senator Proxmire said that the guarantees which will Meanwhile, the U.S. Eximbank's be used to enable the two heavily indebted countries to import U.S. goods, are a "sharp departure from the traditional role of the bank."

exacerbated by a long-simmering

Finance Ministry had been prepar-



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work.



SECTION II - COMPANIES AND MARKETS FINANCIALTIMES

Tuesday August 30 1983



INTERNATIONAL BONDS

French set 1983 record as dealers await rate fall

For much the same reason, at the

This was particularly true of the

All three sectors saw successful

issues last week. Farm Credit Cor-

poration of Canada's issue was in-

creased in two successive stages to

C\$75m from C\$50m and Union

Bank of Norway's issue was raised

to Ecu 40m from Ecu 30m. It was

followed up on Friday with the Ecu

Yet, by Thursday, when the Fed-

eral Reserve entered the New York

credit market to drain liquidity

50m issue for the EEC.

high-coupon currencies such as

still weak.

the Ecu

BY PETER MONTAGNON IN LONDON

ALMOST UNNOTICED, the Euro- interest rates, too, are lower. bond market set a new record for 1953 last week with the launch of a start of last week some investors 175m, 12-year 12% per cent issue for were piling into non-dollar issues France's overseas development with the object of buying the curagency Caisse Centrale de Coopera- rencies concerned while they are tion Economique.

This was not only the first straight dollar Eurobond in a month, it was also the highest cousterling, the Canadian dollar and pon on offer this year - and it came in a week which began with dealers confidently expecting that U.S. interest rates were set to fail.

There can scarcely be a more telling example of the way in which bond investors all over the world are new confused over the actual trend on interest rate and currency

markets. During August, the dollar has been stronger against the D-Mark than at any time in nearly ten years. It has also touched 1983 peaks against the yen and the Swiss franc, and all on the back of expectations that U.S. interest rates were set to rise.

Since money supply figures began to improve again by the start of last week there was, however, a growing feeling that such movements could be reversed with the dollar - and U.S. interest rates falling back.

This is a very sensitive moment for investors in the currency conscious bond markets. It explains why one recent fashion (which continued last week) in the dollar bond market has been demand for war-

Warrants, which entitle the hold- only by one consoling factor. The er to buy a given bond at a preset new World Bank 12 per cent issue price at some time in the future, are due in 1993 appears to have set a one way of locking into today's in- new coupon benchmark for the terst rates at tomorrow's exchange market after its month of rest. With rate. Non-dollar based investors can such a well-priced yield, the bonds only benefit if the dollar falls before were easy to place. The paper the warrant is exercised, and at the same time bond prices rise because discount of less 1% points.

CREDITS

Montagu leads £250m Swedish credit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE appointment of Mr Staffan Gadd as chairman of Samuel Montagu caused many eyebrows to be raised in the City when it was announced in 1980. For, as a foreigner, the Swedish Mr Gadd had accomplished what still is a rare feat by being invited to head a very British merchant bank.

Now the appointment has paid off in a special way. Montagu has just been mandated to lead the largest ever sterling syndicated credit in the form of a £250m (\$377m), sixyear deal for the Kingdom of Sweden. The credit combines Sweden's ever-present appetite for a diversified source of foreign borrowing with a substantial availability of funds in London since British local authorities stopped borrowing from

the banks last year. During August, the dollar has been stronger against the D-Mark than at any time in nearly ten years. It has also touched 1983

peaks against the yen and the Swiss franc, and all on the back of expectations that U.S. interest rates

Since money supply figures began to improve again by the start of last week there was, however, a growing feeling that such movements could be reversed with the dollar - and U.S. interest rates - been rather small.

But for the market itself the more with Industrial Bank of Japan and significant aspect of the Swedish Sparbankernas Bank acting as codeal is probably that a large potential market for sterling loans has opened up in London as local authorities provide banks with cash by repaying their borrowings (they are now being financed entirely by the Public Works Loan Board) It is enhanced by a dearth of UK

corporate business for foreign banks in London as well as the Bank of England's express wish to Bank. slow down the growth of the popular acceptance credit market.

Samuel Montagu stressed over the weekend that Sweden's loan has no multi-currency option and can be drawn only in sterling. to discuss the matter on September In this it differs from many other 9, but initial expectations are that the rescheduling will be far less

sterling Eurocredits launched in the past, though the market for pure sterling deals has been growing rapidly of late, even if most have Even as Montagu starts this week

ordinators to assemble a lead management group for Sweden, Lloyds Bank has slipped in a much smaller £35m domestic sterling loan for the Spanish telephone company, Telefonica. The eight-year loan will bear a margin of % per cent for the first four years rising to % per cent thereafter. Other lead managers are Dai-Ichi Kangyo and County

Elsewhere, the Eurocredit market was dominated last week by **DANISH BONDS**

news that Morocco had joined the

list of countries seeking a reschedu-

ling. Morocco will meet its bankers

With a lack of new business

some selected loans in the market

are also going very well. An out-standing example of this is the

\$150m credit being arranged for

Colombia through a group of hanks

led by Chemical. The loan, which

started very slowly, is now oversub-

scribed and looks set to be in-

complicated than some

creased to \$225m.

rescheduling basket.

Government moves strengthen sentiment

BY HILARY BARNES IN COPENHAGEN

THE ENORMOUS rise in Danish bond prices last winter was tempered by a mild recoil in the summer with the average effective interest rate rising from 13.5 per cent at the end of April to about 14.5 per cent. Last week, however, the market began to firm up again, accompanied by a widespread feeling that interest rates, which vary from around 12% per cent on short-term Government bonds to over 15 per cent on long-term mortgage bonds, should fall on average by a couple

Colombia is one of only two counof points during the autumn. tries in Latin America that has not Bankers and brokers, however, rescheduled, and the success of the do not expect a repeat of the exloan suggests that banks are really traordinary bull market of last winable to differentiate between inditer, when bond prices rose daily vidual risks in sovereign lending and the average effective interest even in a continent where most borrate fell from almost 22 per cent rowers have been swept up into the last September to its April level.

Av. life Coupon

never been experienced before and is unlikely to be experienced again. International factors, including the decline in U.S. interest rates last week, have improved market sentiment, but the crucial factors in the present situation are domestic.

The non-socialist coalition Goverrment, which came into office last September after eight years of governments headed by Social Democrats, has proposed in the 1984 budget to cut the budget deficit for the first time since 1970, bringing it down from DKr 63bn (56.62bn) to DKr 59bn.

The market seems to discount the possibility that the minority Government will be defeated in a vote on local government cuts on Sep-Such a market recovery has tember 9 or later over the budget.

	Amount m.	Maturity	Av. Efe years	Coupon	Price	Lead Macagar	Offer yield	Barrowers
ARS VAIT 5‡	58	1928	15	5	100	CSFB	5.000	SWISS FRANCS Sunitomo Bk. Gen. Lya City of Viscous

from the banking system, such rea- soning seemed to have been turned	Berrewers	Amount m.	Maturity	Ay. Efe years	Coupon %	Price	Lead Macagar	Offer yield	Borrowers	Appunt tt.	Maturity	Av. life years	Совроп %	Price	Load Manager	Ofter yield
on its head. The dollar immediately began to strengthen again, and bond markets weakened even though dealers	B.S. DOLLARS ELEKTROWATT 5‡ CCCE ‡	58 75	1998 1995 1993	15 9.6 18	5 125/2 12	100 190	CSFB Peribas, Goldssan Sacks, Salomen Bros. Deutsche Bk., CSFB	5.000 12.625 12.088	City of Vicenza	15 190 100	1988 1993 1993	=	6	991/2	Banca del Gottardo Krediethank (Suisse), Nordfinanz- Zurich CS	6.118 -Bk 5.500
were already discounting a further drop in the key M-1 money supply	BALL Fir. 71	200 50	1821	8	5V2Ø	109	BMP, KIC. Semuel Montago, Nat. Comm. Bk. of Saudi Arabia		Canon Sales Co. Inc. "'9	100	1988	_	•	108	Banca della Svizzera Italiana	
indicator. The actual drop of \$200m was smaller than suspected, and immediately put the U.S. bond mar-	CANADIAN DOLLARS	75	1990	7	1274	108	Wood Gundy, Nomers, SBCI, Soc. Gen. de Bous.	12.250	STERLING Finland ‡ Cigos Dvs. Fin. ‡	59 39	1988 2808	5 25	117/2 13	190 99¾	Baring Bros. Morgan Granfell, Morgan Guaranty	11.875 ry 13.036
ket under pressure. Besides, a glance at the chart		50	1888	5	1274	190	Mergan Stanley, Daiwa Europe, Enskilda Secs., Wood Goody	12.250	LUX. FRANCS Bay. Landesbank **	250	1988	4.4	105/s		Boue. Gen. du Lux	
shows that short-term Eurocurren- cy rates all rose marginally over last week as a whole. In the dollar bond market, disappointed expecta- tions of lower rates were mitigated	Ryobi Ltd. ************************************	30 108 309 75	1988 1988 1989 1980	5 5 6	5½ 8 7%	198 99¼ 100 108	DG BANK Commerchank Deutsche Bank BNF-Bank	5.500 8.189 7.875 9.008	ECUs Union Bk. of Morway ‡ EEC	40 50	1998 1993	7	117s	100	Krediethank Lux., BBL, Soc. Gen. de Bque. ABN, Krediethank Intil.	11.125
only by one consoling factor. The new World Bank 12 per cent issue	Asies Corp. 5	50	1991	1	5V4	180	Commerzbank		YEN tedansis t	96.54	4000		014	an 90	No. of Co.	9.704
due in 1993 appears to have set a new coupon benchmark for the market after its month of rest. With	Prev. of Newfoundland. ‡ Tokyo Electric ‡	100 100 \$84	1993 1991 1 99 3	Ξ	5% 5% 7%	100% 100 180	UBS CS Soditic	5.716 5.875 7.750	lodonesia ‡ Pusan City (S. Korea) **‡ RTT (Belgistu) **‡ Fujian kurst. **‡	10 be Sta 10ta Sta	1998 1990 1993 1 9 93	6.4 6.4 9	81/2 8.7 61/2 81/2	99.80 99.8 180 180	Nomura Secs. Numora Secs. Niidio Secs. Sanyo Secs., Bk. of Tokyo,	8.721 8.930 8.681
such a well-priced yield, the bonds were easy to place. The paper	Jepan Devt. Bank ""	150 30	1988 1988		5% 6	994 991/2	ubs Ubs	5,809 6,119	Verbundgesellschaft ‡	15ba	1993	5	8	99.75	Numera Secs. Yamaichi Secs.	8.681 8.198
closed the week at a satisfactory			* Not ye	t priced. ‡ i	ingl terms.	"" Placem	ent. † Floating rate sots, Ø Minim	um. § Conve	rtible. ¶ With warrants. = Dust curre	acy issue, N	lots: Yields a	re calculate:	on AIBO be	sis.		

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Fed's intervention catches market wrong-footed

but this suddenly changed last interest rates were heading towards a lower plateau.

It was the puzzling downwards movement in the Fed funds rate for much of the week which wrong-footed the market. Having averaged the around 91 per cent, the rate fell steadily for the first three and a half days of last week and by early Thursday morning was testing the 9 per cent mark. Although the rate ofen moves erratically, some analysts argued that the length of its downward march, coming shortly after the latest Federal Open Market Commit-

U.S. INTEREST RATES (%)

Fed funds wkly aver Three-month T-bills . 30-year Treas bond ... AAA Utility -Source: Salomon Bros (estimates). In the week ended August 17 Mi fell

tee meeting, which sets monetary policy for the next month and a half, could mean only

by \$200m to \$516.9m.

from the Fed funds. The yield basis points to 9.18 per cent and the new treasury long money supply. bond, the 2013 carrying a 12 per cent coupon moved above

day touched 104234 cant since it took place on the stance on monetary policy. first day of a new statement

Most analysts believe the Fed's action signalled that it 3.1m units for the year to endhad no intention of easing mone- February 1984. Its initial plan tary policy further, rather than that it was taking a more re-strictlye stance. Given the speed with which the Fed funds rate was trading downwards, the move was not totally unexpec-

explain away the behaviour of the Fed funds rate early last week. Some analysts said it was all the fault of Hurricane Alicia which disrupted the bank's cheque clearing operations and caused a temporary increase in bank reserves.

ments in the Fed funds rate the credit markets were in no mood to hear that they had also badly overestimated the decline the latest money supply figures. The \$200m fall in M1 was much less than the market had expected and coinciding as it did with the release of the minutes of the previous FOMC meeting, which revealed that the Fed had adopted a slightly firmer stance, the news led to further heavy falls in U.S. bond

The treasury long bond fell almost a full point to 1021 and the yield on three-month Treasury bills rose 18 basis points to 9.33 per cent. Dealers believe that the Fed funds rate is heading back to the 9.5 per cent level after its temporary

The combination of events at the end of the week left the Other rates took their cue market in a nervous state especially since the next two on three-month treasury bills sets of money supply figures are at last week's auction fell 25 widely expected to show hefty increases in the nation's basic

At the same time monetary growth appears to be respond-104 and at one stage on Thurs- ing to the slightly firmer policy measures with M1 moving down Consequently, when the Fed to close to its Fed target range stepped in just before lunch- of 5 per cent to 9 per cent. time and drained reserves- Coupled with growing economic which has the effect of increas- evidence that the economic ing interest rates—the market recovery is not as hectic as it did an about-turn and bond seemed a few months ago, most prices fell by more than a analysts believe that the FOMC The auction, was re- at last week's meeting will have garded as particularly signifi- opted to maintain a stable

William Hall cantly to reduce borrowings.

Honda lowers motorcycle sales and profits targets

BY YOKO SHIBATA IN TOKYO

get down by 19.5 per cent to was for 3.85m units. As a result, Honda's full-year

operating profits will be 10 per cent below the earlier projection of Y52bn (\$212m), compared with Y50.6bn for the last financial year. The lower target reflects Honda's involvement in flerce

competition for domestic sales, has already harmed Yamaha, the second largest maker. Over-production in the past year, followed by falling domestic demand since the start of the year, has brought exceptionally high stock levels.

First-half

By Michael Thompson-Noel in

BORAL, the Australian con-

struction and energy group,

saw a 7.2 per cent improvement

in net profit in the year to

A\$54.6m (US\$48m), though last

year's A\$200m-plus acquisi-

tion of rival BMI had a signifi-

(A\$37.1m); and interest charges

were A\$41m, against only

The dividend total has been

A\$17.1m previously.

(A\$89.1m);

June 30, from A\$51m

rise at

Boral

A\$92.6m

the world's downwards by 250,000 units or 414,296 units and 24.3 per cent motor-cycle manufac- 11.4 per cent to 1.95m, owing to to 321,504 units. Kawasaki turer, said yesterday it would slack demand in developing Heavy Industries alone recorded revise its motor-cycle sales tar- countries, especially oil pro- a 10.1 per cent gain to 20,758

> The company originally pro-jected domestic demand to rise 400,000 units to 1.65m sets on the strength of a wide array of new models put on sale since the end of last year. However, conventional practice of boosting sales by bringing out one new model a week has

According to industry sources, domestic shipment of motorcycles by Japan's four makers, Honda, Yamaha, Suzuki Kawasaki in the January-June balf year fell to 1.42m, down by 20.7 per cent from the previous the question of joint production year's level.

Honda's shipment of motor-Honda's domestic sales target cycles in the January-June half is to be cut by 500,000 units, or year dropped by 9.4 per cent to Japanese motorcycles with 30 per cent to 1.15m units from 667,189 units. Yamaha and an initial target, set in April, of Suzuki fared worse, down 700 cc. The previous levy was 1.65m. Export sales are revised respectively by 32.5 per cent: to 4.4 per cent.

units in the first half year.

The market sources assumed that the industry still holds totalling 1.5m sets, equivalent

feasibility of joint production of large motorcycles in the U.S. as a means of avoiding high import duties on Japanese motorcycles. Reuters adds from Suzuki said no final decision has been made but that it had

discussed with Toro, a Minnesota power equipment producer, using Toro's idle factories. Last April the U.S. imposed 49.4 per cent duty on imported

engine capacity of more than

Listed vehicle for Datuk Syed Kechik

BY WONG SULONG IN KUALA LUMPUR

DATUK SYED KECHIK, reput-(indigenous Malay) business- NMN. man in Malaysia, has finally gained control of a publiclylisted vehicle through the purchase of a controlling stake in Temerloh Rubber Estates from as British owners.

cant impact on interest charges. The complicated deal, worth However, Boral says a sub-21.17m ringgit (U.S.\$9m) will stantially higher profit is exgive Syed Kechik nearly 33 per pected in the current year, now cent of Temerloh, but with that BMI has been successfully effective control. Sales for the year were A\$1.1bn. Pre-tax profit was

Temerloh, which had paid-up capital of 15.38m one ringgit shareholder who is in a position shares, is controlled by a retired to direct its expansion and English planter, Mr H. T. M. Grumitt and his associates, through Malayan Securities Trust and North Malayan News-

Syed Kechik will buy 5.04m maintained at 15 cents per Temerloh shares at 4.2 ringgit each from MST, and inject Sir Peter Finley, Boral chairman, said the sale of A\$40mworth of assets since the BMI papers in exchange for NMN acquisition had helped signifishares. NMN will then hold 48.5 per through.

these into North Malayan News-

cent of Temerich, and Syed edly the richest Bumiputra Kechik will hold two-thirds of

> in Temerloh, but it is unlikely to be taken up since Temerloh is currently being traded as over 6 ranggit per share. NMN said that through Syed Kechik's participation Temerloh has adhered to the Government's New Economic Policy in

offer to minority shareholders

terms of Malay equity ownership, as well as having a major diversification. Temerich owns two plantations in Pahang state, with a total acreage just over 2,000 hectares, with a balanced crop

of rubber and oil palm. Syek Kechik has been in the market for a publicly-listed company for the past two years, but his various attempts had for various reasons failed to get

Interim rise at Boliden

By David Brown in Stockholm

BOLIDEN, the Swedish metals and chemicals group, reports a sharp rise in first-half pre-tax profits to SKr 294m (\$38.1m) compared with the loss of SKr 75m during the same period last year.

Sales rose 60 per cent to SKr 3.6bn. Half the growth was attributed to higher trading volumes, especially in petrochemicals. A U.S. acquisition, the Boliden Metech precious metals trading company, added to the sales expansion. Earnings in the mineral division climbed from SKr 10m in the first

half of last year to SKr 217m. The metal division recovered to a profit of SKr 60m compared with a loss of SKr 36m. The chemical division improved by SKr 21m to SKr 53m. The upturn was also aided by the

devaluation of the Swedish krona last year, which effectively increased the krona value of foreign currency priced products. The group has reorganised and expanded its international trading

Wereldhave placement

and consulting operations.

By Our Financial Staff

THE DUTCH pension funds PGGM and PVM yesterday asked a court in The Hague to prohibit voting rights attached to a new placement of 1.36m shares by Wereldhave, the Rotterdam-based property fund. Wereldhave announced the de

NMN will make a similar tails of the share placement on Friday as part of its defence against a takeover bid by the two funds. The shares were placed at Fl 155.50 (\$52.7) each, subject to deduction of the interim dividend. An unspecified number of the shares comprised a new issue.

Of the placement, 1m shares have been taken up by SPR, the Dutch co-operative bank's pension fund 310,000 by a Dutch medical pension find and 50,000 by Westland-Utrecht, the Dutch mortgage bank. Wereldhave claims that institutions holding 50 per cent of the enlarged ordinary share capital have given assurance that they would not accept the pension funds' bid. PGGM and PVM are also challenging Wereldhave's issue in July of 2m new preferential shares.

Fokker's half-year earnings rise 5%

BY WALTER ELLIS IN AMSTERDAM

EARNINGS at Fokker, the Dutch aerospace group, rose by 5 per cent over the first six months of this year compared with the opening half of 1982, and there are indications that 1983 could see a partial

At the mid-way point last year, Fokker was optimistic about future profits but went on to record an annual loss of Fl 10.2m (53.5m). This time, the company observes that, as a result of a slight economic recovery and our ceaseless sales efforts," sales may be picking up. It forecasts earnings for the year of around Fl 12m.

The net result for the first half was FI 6.34m, against FI 6m previously. Sales rose by 47 per cent, to FI 788m, but costs were also up sharply. A FI 5m transfer to cover the costs of a workforce reduction,

Increased taxes of FI 2.35m produced the final, net result. Aircraft deliveries over the six months lived up to expectations with seven F-27 and nine F-28 airliners handed over, while production programmes involving assem-bly of the U.S.-designed F-16 fighter and components for the Airbus and for Shorts of Belfast all proceeded

The state of the s

Since June, Fokker has been heartened by the sale to Piedmont Airways of the U.S. of 12 secondhand F-28 s for about \$70m. The aircraft, and eight others on which Piedmont has an option, were bought back from Garuda Airways of Indonesia as part of a major reequipment contract signed last No-

Fokker's slim-down, begun last year, left the company at the end of arising from 1982, helped bring June with 9,200 employees, 400 few-down pre-tax profit to only Fl 8.7m. er than in 1982.

Norsk Hydro upgrades full-year forecasts

BY FAY GESTER IN OSLO

NORSK HYDRO, the Norwegian industrial and energy concern, for both light metal and petroyear to show a definite improve- cantly better than in the first ment on 1982. In its earlier re- half of 1982, it was still oil and port for 1982, the group foresaw gas, followed by fertilisers, 1983 profits and sales being only which accounted for the greater about the same.

tion and through the higher NKR 9.69bn. prices obtained. Cost trends had been more favourable.

Although the financial results expects results for the current chemical products were signifipart of the group's profits.

Market conditions have im- Half year figures, published proved for several of the com- earlier this month, showed turnpany's main products. This had over and pre-tax profits sharply improved profitability both up on the opening half of 1982. through higher capacity utilisa- Sales rose to NKR 13.72bn from Pretax profits increased to

NKR 1.34bn from NKR 989m.

Korf deal gives Kuwaitis control BY TERRY DODSWORTH IN NEW YORK

the medium sized U.S. steel- between employees and a bank maker, has passed to Kuwaiti consortium. interests following the capital re-organisation last week.

is severing its links with the involving the sale of one of its financially troubled Korf Indus- two steel-making plants and its try Handel of West Germany, steel engineering subsidiary. The Kuwaiti investors who pre- Mr Roger Regelbrugge, Presiviously held 30 per cent of the dent of the company said that U.S. group, are now raising the Kawaitis' interest was as in-

CONTROL of Korf Industries, the rest of the capital divided

zons sti

the Inter

SC

Korf's new shareholding structure comes into operation after As a result of the deal, Korf a substantial rationalisation their stake to 51 per cent with vestors rather than operators.

This announcement appears as a matter of record only



ISTITUTO MOBILIARE ITALIANO

US\$ 98,920,741.61 NOTE PURCHASE FACILITY

FINANCE FOR EXPORT COMPANY LIMITED-FINEXCO (a subsidiary of imi international holding s.a. and soditic international s.a.)

BANQUE PARIBAS SANPAOLO-LARIANO BANK S.A. SOCIÉTÉ EUROPÉENNE DE BANQUE S.A. BANCO DI SANTO SPIRITO (LUXEMBOURG) CREDITO ITALIANO FINANCE CORPORATION LIMITED INDUSTRIAL MULTINATIONAL INVESTMENTS LIMITED THE SUMITOMO BANK, LIMITED

BANCO DI NAPOLI INTERNATIONAL S.A. LUXEMBOURG THE DAIWA BANK, LIMITED DIE ERSTE ÖSTERREICHISCHE SPAR-CASSE BANK ITALIAN INTERNATIONAL BANK LIMITED

BANQUE PARIBAS BANQUE VERNES ET COMMERCIALE DE PARIS THE DAIWA BANK, LIMITED DIE ERSTE ÖSTERREICHISCHE SPAR-CASSE BANK

BANCO DI SANTO SPIRITO (LUXEMBOURG) BANCO DI NAPOLI INTERNATIONAL S.A. LUXEMBOURG BANQUE RÉGIONALE D'ESCOMPTE ET DE DÉPÔTS CREDITO ITALIANO FINANCE CORPORATION LIMITED DEN DANSKE BANK, LONDON BRANCH, LICENSED DEPOSIT TAKER

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L'EUROPÉENNE DE BANQUE ITALIAN INTERNATIONAL BANK LIMITED INDUSTRIAL MULTINATIONAL INVESTMENTS LIMITED SANPAOLO-LARIANO BANK S.A. THE SUMITOMO BANK, LIMITED SOCIÉTÉ EUROPÉENNE DE BANQUE S.A. UBAN INTERNATIONAL LIMITED

SOCIÉTÉ EUROPÉENNE DE BANQUE S.A.

INTERNATIONAL BOND

U.S. DOLLAR issued Bid Offer day week Yield Japan Airlines 7's 87... New Zealand 7's 89 ... World Bank 8's 92

Sumitomo M, Ind: 6 91 100 \$100% 101 -0% -0% 5.95 Tohoku El. Power 8 93 100 \$100 100% -0% -0% 5.98

Sweden 54 93 04 100 1002 3/2 11.19 11.16 Average price changes ... On day 0 on week +05

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EUROBOND TURNOVER (nominal value in 5m)

U.S. \$ bonds Last week..... Previous week Other bonds . Last week..... Previous week 1,354.2 1,700.5

* No information availableprevious day's price.

† Only one market maker

supplied a price. STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is

in billions. Change on week= Change over price a week

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month rate (2 three-month; mean rate) for U.S. C.con=The current C.yld=The current dollars.

CONVERTIBLE BONDS: De nominated in dollars unless otherwise indicated. Chg.day = Change on day. Cnv. date = First date for conversion into shares. bond per share expressed currency of share at conversion effective price of acquiring shares via the bond over the most recent price of the shares. The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV: Credit Commercial de France; Credit Lyonnais; Commerciank AG; Deutsche Bank Merzoank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Krediet bank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on August 26 AG: Westdeutsche Landesbank

Closing prices on August 26

Canal Randolph

Canal Randolph, the U.S. real earlier this year were beatling estate company which was at the for control. The company is centre of a bitter proxy fight attractive because its assets are between U.S. and UK investors believed to be undervalued and

will.

Takeover Panel to look into

THE TAKEOVER PANEL in shareholders had withdrawn tends to investigate a complaint acceptance of the BPCC offer,

that Mr Robert Maxwell's British this control had dropped back,

a complaint from Mrs Jane be true, then BPCC would have

Whatley, a Waddington share- been in breach of Rule 24 of the

holder, that she had been tele- City Takeover Code, which sets

phoned last Thursday evening out the rules defining what a

by a man claiming to represent company can or cannot say about

BPCC. The man is alleged to acceptances while a bid is in

trolled more than 49 per cent of After an initial three-day ex-

Waddington's shares, tension of the bid, BPCC said in fact, BPCC has never on Friday that its share offer officially claimed to have confor Waddington—13 BPCC shares

trolled more than 47.3 per cent for every five Waddington chares

of Waddington shares. At the -will be extended notil/Wed-

end of last week, after several needsy, September 7:-

Lennons still improving

THE CONTINUING implementa- oversli stock levels, said

Printing and Communications perhaps to below 43 per cent.

complaint against BPCC

some investors believe that

Salomon, chairman of Res

man, has a similar sized stake.

begin studying the

proposal contains "certain con-

which

The shareholder complaint was

passed on to the Takeover Papel

by Kleinwort Benson, Wadding-

Hignett, director general of the

Panel, said on Friday that he was

taking the complaint "seriously,"

If the claim were proven to

Strenuous efforts continued

to be made to better the per-

formance of the wines and

made, although the chairman

reiterated that the wines and

spirits subsidiary and

-definite progress was

from easy at the moment.

Don Bros. Buist (Textiles)

Emperor Mines (Mines—Aust

Hewden-Stuart 10peConv.Un.Ln.

MMT Computing (Industrials)

Sonesson (With.) (Industrials)

Australian)

ralian)

(Buildings)

ton's financial advisor. Mr John

immediately. He said

properties bid

BY WILLIAM HALL IN NEW YORK

earlier this year, has received a

bid for its seven commercial

office properties which could be

Canal Randolph shares were

delayed opening pending the

announcement, but when the shares started trading the price jumped sharply on the news.

The seven office properties account for roughly half of Canal Randolph's business. The

other major asset is the United

Stockyards Corporation. Last

May the company disclosed that

it was planning to spin off this

The majority of the shares in

Canal Randolph are owned by

two investment groups, which

Corporation made false claims

in his fiercely contested £17m

bid for John Waddington, the

Leeds-based games and packag-

ing group, best known for the

board game Monopoly and play-

tion of the policies to improve

profitability at Leanons Group

was having a beneficial effect on

performance and progress was

being maintained. Mr D. P.

Lennon, the chairman, said at

have the first phase of the

integrated warehousing and

in war, in peace

stores but also further reduce ported.

FT Share Information

the annual meeting.

have said that BPCC then con- progress.

ing cards.

subsidiary to shareholders.

worth more than \$100m.

the capital was increased to £50m by the issue to the parent company of 2.85m shares in con-	issue price £	Amount paid up	Renunc dale	1983 High Lov	N		Stock		Okalng price £	+-
sideration of the purchase of a subsidiary, and 7.15m shares through a scrip issue. At the year-end shareholders' funds stood at over £93m.	96.95; 99,75	F.P. £20 F.P. £25 £30	16/7 28/10 26/8 21:10	3014 30	Allied Atlanti Bristol Brixtol La C.G.C.	Plant 10) c Met'n i 11½% R n Est 11½ Economi Oversess	& Cny Und (UK) 12% ed. 2008 v\$ Deb 20 lo 124% (& Finance	1009 Ln 85/86 UL 91/97 018 itd. Ln. 201 165 Ln. 2001	109 109 19 301 301	— 4
idway gain	11 38°.10;	F.P. F.P. NIL F.P.	22/B 15/7 9/9 — 12/8 9/12	10414 101 109 104 127p 12: 103p 101 34 pm 3p 103p 101 112 102 514p 25	Evode Evode EpiEctel 1 piFFKI 7 miFlemin piFuller, Hewde	lastical 1 8% Cnv L 1012% Cui 1% Red C 18 Am. In 5mith & In-Stuart 1953% Cu	log Deb 2 Ing Ln 20 In Prof Inv Prof Inv Tal 7% . Turner 8 10% Chv Im Red Pr	03/08 Cny Uns Ln % 2nd Cm. F Uns Ln '03#	1041 110 125 102p 29 3pn 102p 08 111	p +1
effort and cost had been expended on development of the product range of supplies, reprographic equipment and offset presses.	103.3	F.P. 125 225	51/8 14/10 20/9	100 99 1001 ₈ 99 1001 100 98 92 25 21 251 ₂ 23 295 ₄ 24	12 Nation 14 Do 14 Do Oldhar Traffo 14 Transp 12 Watn'y	wide 10; 10%; 114%; n 114%; rd Park f ort Dev ; M nn&Tr Dx Red C	% Bds 50: 6 Bds 50: 6 Bds 20: 7 Bds 20:0 12:2% Um 7 Um 12:48 12:2% Um	9:7:84 7:7:84 8:84 2007:11 Ln 2008 Red.Deb.20	991 997 1001 931 21 213 98 261	
New presses and reprographic equipment would be launched in	99,124 FT	£25 F.P.	_[25/10]	251g: 25	34 Westia	nd 123 ₆ %	Dab 200	6 Deb 2003	! 25	1

"RIGHTS" OFFERS

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63	F.P.		219	175	OZO	Beecham 346 Brengreen 10p 103	∤+5
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145		17/B	30/9	170	160	Fidelity Radio 10p 165	P440-2
10 .	FP	_	9(9	13	114	First Charlotte Assets Tat 5p. 1212 First Talisman Inv. 200 33	
3 4	Nil	l —	16/9	38	33	#First Talisman Inv. 20p 33	
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1 200 1	(III		2015	123pm	- Applil	Auren Lancais rabassissus 170bi	Th,

Renunciation date usualty last day for dealing free of stamp duty. b Figure Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. t Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. This restricted dividends. Figures or report awaited. Fracing price. p Pance unless otherwise indicated. I issued by tender. I Offered to holders of ordinary shares as a "rights." This issued by way of capitalisation. The introduced. This sued in connection with reorganisation marges or take over. Ill Introduction. [] leaved to former preference holders. [Allotment letters (or fully-paid). © Provisional or partly-paid allotment letters. * With warrants. † Effective issue price after scrip. † Formerly dealt in under special rule.

Dates when some of the more important company dividend

statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed

"Announcement las	t year."		
Date	Announce- ment last year	Data	Announce- ment lest veer
*Associated	•	CostainSept 7	Interim 5.0
DairlasAug 31 Automotive	Final 1.75	Croda IntiSept 9 *DRGSapt 28	interim 3.0 Interim 3.0
ProductsAug 13	Interim 0.5	DalgetySapt 20	Final 11.0
*BAT Inda Sept 21	Interim 25	DebenhameOct 8	Interim 2.041
*BICCSept 7	Interior 3.5	*DeiteSapt 8	Interim 1.82
BTRSept 13	Interim 4.75	DunlopSept 23	Interim 2.0
*Babcock Intl Aug 31 *Bank of	Interim 3.4	Eagla StarSept 15	interim 7.0
ScotlandSapt 20	Interim 10.5	European	
*Barrett Davs Sept 20	Final 8.85	FerriasSept 10	Interim 1.0
Barraw Sept 20	LIVE! D'03	*ExcoSapt 6	Interim 2.5
	Innedm AB	Expannet IntSept 15	Interim 2.0
HepbumSept 20	Interim 0.8	Finlay (J.) Oct 7	interim 2
Bell (A)Oct 6 Bilton (P.)Sept 27	Interim 3.5	FisonsSept 20	interim 5.0
Blackwood	Final 3.8	FreemansOct 4	interim 1.9
HodgeSept 9	interim 0.5	General	
Booker		MiningSept 2	interim 55c
McConnellSept 15	Interim 1.5	GrattenOct 8	Interim 1
BoweterSept 13	interim 4.25	•GREAug 31	Interim 7.0
BowthorpeOct 5 British	intarim 1.673	Habitat	Final 2.8
AsrospaceSept 21	Intarim 3.25	MothercareSapt 6	Interim 3,41
British Electric		Hall EngSapt 23 Hambro LifeOct 8	Intarim 4.025
TractionSept 2	Final 8.137	London Marchant	intarint 4.023
*British		SecuritiesSept 14	Final 0.87
PetrolaumSept 1	interim 6.25	MarchwielSept 1	
*Brixton Ests Sept 13	Intarim 1.7		Interim 2.7
BungSept 8	Interim 4.5	Menzies (J.)Sept 23 Mills and Allen	Intarim 1.6
Burmah Oli Sapt 15	Interim 1.5	IntlSept 22	Final 16.0
*Cadbury		MinetOct 7	Interim 2.46
SchweppesSept 1	interim 1.4	Morgan	difficult 540
Cape IndustsOct 5	interim 1.7		Interim 3.5
Cone Cald	III MANTILLE TOP	CrucibleSapt 1	បែលបំណ ទំនិ

Crucible...Sapt 1 Interim 3.5 NEISapt 21 Interim 1.5 Board meeting Intimated. † Rights Issue since made. ‡ Tax free. § Scrip. Issue since made. ¶ Forecast. Plantations...Sapt 2 Final 7.3 Granville & Co. Limited

Fields...Sept 13 Final 18,0

27/28 Lo	vat Lane London EC3R	BEB		Telep	роле	<u>01-621</u>	1212	•
	Over-the-Co	unt	er Ma	ırke	t			
						P/	E	
£0000° e			Change	Gres	s Ylek	4	Fully	
capitalisat	lon Company	Price	on weak	div. (p) %	Actual	taxed	
5,754	Asa. Brit. Ind. Ord	130	- 1	6.4	4.9	7.6	9.9	
	Ass. Brit. Ind. CULS	143	- 1	10.0	7.0	_		
3,994	Airsprung Group	69	+ 1	5.1	8.8	19.7	19.7	
525	Armitage & Rhodes	21	_	4,3	20.5	2.4	4.1	
27,428	Bardon Hill	220	_	7.2	3.3	9,0	18.3	
1,788	CCL 11pc Conv. Pref	143		15.7	11.0	_	_	
3,035	Cindico Group .,	192	_	17.B	9.2	_	_	
4,178	Deborah Services	54		6.0	11.1	3.6	9.6	
7,231	Frank Horsell	126	+ 2	_	_	5.3	8.7	
	Frank Horsell Pr Ord 87	120	+ 2	8.7	7.3	5.0	8.3	
8,379	Frederick Parker	58		7.1	12.2	3.6	5.B	
590	George Blair	32	_	_	_	5.5	11.6	

Today's Rates 11%-11/2%

Torday & Carliala 112 — 11.4
Unilock Holdings 24 — 1.0
Walter Alexander 72xd — 3 6.8
W. S. Yaares 267xd + 1 17.1
Licensed Dealer in Securities.

15.7 4.5 11.4 20.0 5.7 11.4 1.0 6.8

Finance for Industry ple has changed its name and FFI Term Deposits are now called Investors in Industry Term Deposits. Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.
Interest paid gross, half-yearly.
Rates for deposits received not later than 9.9.83 are fixed for the

terms shown: 9 10 Terms (years) 111 111 111 111 111 113 Interest 💊

Depusies to and further information from the Treasurer, Investors in Industry
Group pla, 91 Waterloo Road, London SELENF (01-928 T822 Ext. 367.)
Cheques payable to Bank of England, a/c Investors in Industry Group ple." Investors in Industry. 37

UK COMPANY NEWS

A record profit of £24,33m was

achieved by Johnson Matthey

Bankers in the year ended

March 31 1983, showing growth

of £7.68m over the previous year.

The company is the banking, bul-

lion dealing, commodity broking,

and insurance broking subsidiary

In the parent bank, good re-

sults were achieved from bullion

dealing, in spite of relatively

quiet conditions in world mar-

kets. Record earnings were

gained from foreign exchange

dealing, and excellent progress

and earnings continued to be

made by the general banking

diary performed well in rela-

tively inactive markets, and the

overseas bullion dealing subsi-

diary in Hong Kong achieved.

another good result, while that

£35,000 and an attributable defi-

The chairman said that the

historical pattern of trading was

that the bulk of the annual

profits were earned in the

second six months and this year

would be no exception. In the

12 months ended April 2 1983,

cit of £183,000.

The UK metal-trading subsi-

of Johnson Matthey Group.

creased taxes of Planar ced the final net result. Aircraft deliveries over the control lived up to expension lived up to expension lived up to expension programmes involving an programmes involving an programmes involving and components for the Arbar decomponents for the Arbar planared. Since June, Fokker later planared by the sale to Paragraph of F-28 s for about 510m lived and F-28 s for about 510m lived edmont has

aft, and eight others my edment has an opposition of a management of a dibusent contract again Fokker's slum-down begg ar, left the company at the ne with 9.200 employees a tran in 1982.

Ipgrades asts

Although the financial. r both light metal and remical products were a intly better than in the alf of 1952, it was sulf. is, followed by lenk hich accounted for the per art of the group's produ Half year figures pur irlier this month showed er and pre-tar profit to on the opening half die ales rose to NER 1373 is KR 9.6952. Pretax profits increase KR 1.34bn from NR 99

uwaitis control / YORK te rest of the capital fits

otween employees and the)11204777777TT Korrs new shareholding ire comes into operating substantial radmite evolving the sale of mel FO 3: cel-making plant at they emissioned and r Roger Regelbrige he ent of the company sale 10 Kuwaius' interest wash estors rather than owner.

EUROBOND TURN (nominal salas la in) Cedel d

ast week revious week ther boads 251 week

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CONTRACTOR SOLD

FICATING RATE AND THE CATING RATE AND SECOND SEC

3-12-

ICE

The following securities have CPU Computers (Electricals) Information Service. Bensons Crisps (Foods) Bestwood (Industrials) Blue Bird Confectionery (Foods) and is Boase Massimi Pollitt (Paper. 3,071.5 190 Printing) Bryant (Derek) (Insurances)

.S. \$ bonds revious week 1,3512 12

• 140 informatica aralli Dienione gais kips t Only one market make supplied a progr STRAIGHT BONDS THE

will help soldiers, ex-soldiers and their families in distress

August 30, 1983

Notice of Redemption to the holders of

A donation, a covenant, a legacy to

THE ARMY BENEVOLENT FUND

DEPT: FT. 41 QUEEN'S GATE, LONDON SW7 5HR

When help is needed, please

pelp him and his dependants

FINANCE N.V.

5% Guaranteed Convertible Subordinated Debentures due April 1, 1998

Notice is hereby given to the holders of the outstanding 5% Guaranteed Convertible Subordinated Debentures due April 1, 1998 of SCI Finance N.V. (the "April Debentures") and of the Unmatured Coupons appertaining thereto that pursuant to the provisions of the Fiscal and Paying Agency Agreement dated as of April 1, 1983, among SCI Finance N.V., SCI Systems Inc. and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and the terms and conditions of the April Debentures, SCI Finance N.V. intends to redeem and does hereby call the April Debentures for redemption and payment on October 24, 1983, (the "Redemption Date") at the London Office of the Fiscal Agent at I Angel Court, London, England ECER TAE at a Redemption Price equal to 100% of the principal amount of the April Debentures to be redeemed plus interest accrued to the Redemption Date upon presentation and surrender of the April Debentures and all unmatured coupons appertaining thereto. Coupons due October 1, 1983 should be detached and presented for collection in accordance with the terms and conditions of the April Debentures. The April Debentures will no longer be outstanding after the Redemption Date and interest thereon shall cease to accrue thereon and after

the Redemption Date. The April Debentures are convertible into Common Stock of SCI Systems Inc. in accordance with their Terms and Conditions at the London and New York offices of the Fiscal Agent. The Fiscal Agent's New York Office is 30 West Broadway, New York, N.Y. 10015. The Conversion Price for the April Debentures is U.S. \$20.08 per share of Common Stock of SCI Systems Inc. and the closing price for such Common Stock on August 23, 1983 was U.S. \$25.25 per share. The April Debentures are convertible prior to the close of business on Friday October 14, 1983, but on or after Monday October 17, 1983 the sole right of a holder shall be to receive the Redemption Price plus interest accrued to the Redemption Date.

> SCI Finance N.V. by Morgan-Guaranty: Trust Company ...

Munton **Brothers** in £1.55m cash call

Munton Brothers, the shirts and clothing manufacturer, making a rights issue to raise around £1.55m after expenses.

would be more valuable if the company was sold off piecemeal. The company was for a long time controlled by a group of UK investors led by Sir Walter The proceeds will be used to finance the purchase of a factory Antrim and the cost Brothers, the UK merchant bank. The UK group has some 28 per cent of the equity. machinery and equipment for the factory amounting to £369,000; to repay fim borrowings which A second group, led by a New York investor, Mr Asher Edelwere incurred when Munton acquired 29.5 per cont of John Beales Associated Company Mr Raymond French, chief executive of Capal Randolph, said that senior management earlier this year; and to provide additional working capital.

Munton is to issue 4.71m new ordinary 10p shares on the basis of two new shares for every five ordinary held at 35p per share. .Taddale Investments, which is currently seeking a full listing for its shares via an introduction, has undertaken to subscribe in respect of its rights in respect Rotaprint looks for midway gain of its 20,4 per cent holding. The remainder of the issue has been underwritten by Henry Ansbacher & Co. Brokers to issue are W. Greenwell & Co.

(£10.64m). In the current year, the directors intend to maintain dividends totalling ap on the increased capital An EGM to increase the authorised share capital will be held on September 19 and dealings in

the new ordinary shares are

expected to commence

following day.

For the year ended April 30

Marks and Spencer—raised pre-

tax profits from £431,636 to

£615,101, og turnover of £11.69m

IT WAS unlikely that for the the company—a maker of printhalf year to October 1 there ing equipment, swung round even situation at Rotaprint, Mr profit of £401,000, D. W. T. Angwin, the chairmen. Until the half year results told the annual meeting. For were known, the directors did the corresponding period last not feel able to authorise payyear, there was a pre-tax loss of

advances to record £24m

The following compenies have notified

detes of board meetings to the Stock

Exchange, Such meatings are usually hald for the purpose of considering dividends. Official Indications are not

svellable as to whether the dividends

are interims or finals and the sub-

besst are woled nwode snotsivib

Interime: Dufay Bizumestic, Francia

FUTURE DATES

in New York recorded remark-

broking group made a better

than expected contribution which

augurs well for the future of this

sector of this banking group's

Towards the end of the year

The newly-acquired insurance

mainly on lest year's timetable. TODAY

Parker, Ladbroke, Weir.

able earnings.

BOARD MEETINGS

ment of preference dividends on either class of share. They would however, consider the matter again in November 1983. the chairman added. Dividends on both classes of

A.B.N. Bank

Al Baraka International

Amro Bank

Arbuthnot Latham ... 91%

Armeo Trust Ltd. 91%

Associates Cap. Corp. 91%

Banco de Bilbao 91%

Bank Leumi (UK) pic 91%

Bank of Cyprus 91%

Bank of Scotland 0 91%

Banque Beige Ltd. ... 94%

Banque du Rhone 101%

Barclays Bank 91%

Beneficial Trust Ltd... 101%

Bremar Holdings Ltd. 91% Brit. Bank of Mid. East 91%

CL Bank Nederland ... 91%

Canada Perm't Trust 101%

Castle Court Trust Ltd. 10 %

Cayzer Ltd. 9195

Cedar Holdings 10 %

Choulartons 101%

Citibank Savings \$104%

Clydesdale Bank 91%

Co-operative Bank* 91%

Exeter Trust Ltd. 101%

The Cyprus Popular Bk. 9

E. T. Trust 10

C. E. Coates 10 9

Consolidated Credits...

Duncan Lawrie

E Charterhouse Japhet... 91%

■ Brown Shipley 10 %

Henry Ansbacher

Bank Hapoalim BM ...

shares are cumulative and sharebolders retain their entitlement to unpaid dividends. During the first half of the

BASE LENDING RATES

Allied Irish Bank 94% # Hill Samuel \$ 91%

Bank of Ireland 91% Morgan Grenfell

Comm. Bk. of N. East 94% Members of the Accepting Houses

First Nat. Fin. Corp. 111% | 21-day deposits over £7,000 7%.

First Nat. Secs. Ltd. 111% | Demand deposits 6%.

Robert Fraser 10 % | Mortgage base rate.

Grindlays Bank 291% | 91% 9.15%. Effective annual rate = 91% 9.54%.

Committee.

current year, considerable time. effort and cost had been would be better than a break- from a £919,000 loss to a pre-tax expended on development of the product range of supplies, repro graphic equipment and offse

91% Hambros Bank

91% Heritable & Gen. Trust 91%

91% C. Hoare & Co. + 91%

Hongkong & Shanghai 91%

Kingsporth Trust Ltd. 11 9

Lloyds Bank 91%

Edward Manson & Co. 1019

National Westminster 949

Knowsley & Co. Ltd. ... 10

Mallinhall Limited ...

Midland Bank

National Bk. of Kuwait

National Girobank ...

Norwich Gen. Tst.

Roxburghe Guarantee 10

Royal Trust Co. Canada 94%

Standard Chartered ... 1 91%

P. S. Refson & Co. ...

Trade Dev. Bank

Trustee Savings Bank

United Bank of Kuwait

United Mizrahi Bank...

Volkskas Intal Ltd. ...

Westpac Banking Corp.

Whiteaway Laidlaw ... 10 %

Williams & Glyn's ... 91%

Wintrust Secs. Ltd. ... 94%

Yorkshire Bank 91%

deposits 6%

Short-term

7-day daposits on sums of: under

£10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.

± Call deposits £1,000 and over 6%.

Heath (Semuel) Sept Second Albance Trust Sept

New presses and reprographi equipment would be launched i the UK later this year reflecting the company's policy of continuing development. These would include a continuous stationery machine, already selling well in the U.S., for which it was specifically developed. Mr Angwin said that sales there were contributing to the welcome return to

Payment per patient in dental scheme

BY GARETH GRIFFITHS

A FUNDAMENTAL change in on a per capita system the way the UK funds its dental services could emerge from a pilot project to be launched next year by the Department of Health and Social Security. The scheme involves paying the dentist for National Health Service work on a per capita

At present payment is for each spirits trade in general was far item of service. The pilot scheme would The new Garston supermarket, cover only children in selected distribution system operating in opened on the first day of the areas and last initially for two" expansion of the NHS," he said. October, in time for Christmas current financial year, was per- and a half years. If successful This should not only forming well and living up to it would gradually expand to result in better service to its expectations. Mr Leanon -re-cover the entire population It does not however mean

that dental charges would be

basis for the list of patients.

scrapped. Such a pilot scheme for children is in line with the recommendations of the Royal been added to the Share Coopers Resources (Mines | Commission on the NHS in 1979. Its implementation would start to bring dentists in line with the payment methods used for doctors in general practice. The NHS spent £612m on dentsi services in 1982-83 with £181m income from charges for treatment. For 1983-84 the

> with £188m income expected from dental charges. In the past charges have been used as a way of rationing demand because Britain's dental health was so poor and there were relatively few dentists. Governments were atraid that unlimited access, as with GPs, 1978.

estimated cost will be £644m

payment would lead to demand which the dental services could not meet. Mr Kenneth Clarke. Minister for Health, told the Commons on March 30 last year, that the reason for dental charges was not logical but historical, "The key point is that the charges raise a substantial sum of money, without excessive public reaction that can then be diverted into the

The DHSS is examining the way Family Practitioner Committee services, such as dentistry, optical and general medical services, are run. A report is expected this autumn, and so far the only indications are that the idea of cash limits on these services has been ruled out. Hospital services are cash limited already.

The DHSS and the British Dental Association feel that the experiment on funding can start because of two important trends in dental care. First, the nation's teeth are improving the switch to fluoride toothpaste. The improvement is particularly marked for chil-

dren born in the last decade. Second, the number of dentists has increased. There are around 15,000 dentists undertaking NHS work and the 1982 figure was 12 per cent up on

Seconds Out expands

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

shops selling "seconds" clothes, is to open four more stores by the end of the year bringing its total, all in southern England, to 20. Mr David Bernard, chairman of the Exmouth-based said yesterday they would be in Godalming, Bridgwater, Cheltenham and Bristol. Seconds is a rising market. Mr Bernard expects his turnover to reach £6m this year, Nottingham Manufacturing and Corah are among companies attracted to this market. Manufacturing Nottingham

SECONDS OUT. a chain of and Corah are large suppliers to Marks & Spencer and use their own stores to sell clothes Marks rejects. Nottingham Manufacturing entered the business two years ago with a chain called Thrifty. It has about 12 shops, in the North and Midlands Corah has only two shops, trading as Harcourt in this market.

Seconds Out, which started operations six years ago, does not confine itself to one supplier and obtains goods from companies such as Pringle. Berketex and Jaeger in women's clothes and Dunlop and Lyle & Scott in men's.

Mr Bernard said: "Probably three-quarters of our stocks might have been destined for M & S but we ensure we have good supply from other sources. We try to find goods which are of a high quality and not all our clothes will be

It is common practice for producers to sell goods a buyer has rejected. Most clothing factories have in-house shops. Sometimes these are restricted to employees, at others they are open to the public. Always in such sales the Duyer's label 15 removed.

Nottingham Manufacturing, based in Mansfield, is a company with which communication is difficult. What percentage of clothes it sells through Thrifty is seconds is not known, there-

supplier to M and S. It does not say what proportion goes to this group but the share is thought to be more than twothirds. The company is unlikely to prejudice its relation-

> .717-724 (-1)based on FT Index Tel: 01-493 5261

August 30, 1983

GTE Finance N.V.

US \$50,000,000

Floating Rate Notes Due 1987 Convertible into 10% Bonds Due 1992

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period commencing on August 31, 1983 the Notes will bear interest at the rate of 11% per annum. The interest payable on the relevant Interest Payment Date, February 29, 1984 against Coupon No. 7 will be US\$278.08 and the Conversion interest Amount will be US\$1.39 per Note converted

> **Interest Determination Agent** ORION ROYAL BANK LIMITED



The Republic of Panama U.S. \$70,000,000

Floating Rate Serial Notes due 1990

For the six months 31st August, 1983 to 29th February, 1984

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest Jas been fixed at 11% per cent. per annum, and that the interest payable on the relevant interest payment date, 29th February, 1984 against Coupon No. 11 will be U.S. \$440.78.

> The Industrial Bank of Japan, Limited Agent Bank

of New York, as Fiscal Agent

The company is a major

seconds."

LADBROKE INDEX

Kidder, Peabody Securities

Market Makers in Euro-Securities

vidend in Canadian funds, subject to 15% non-residence tax. I-

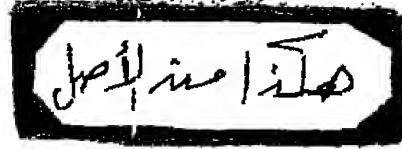
dividend declared after split-up or stock dividend.)-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting k-dividend declared or paid this year, an accu-

mulative issue with dividends in arrasts. n-new issue in the past 52 weeks. The high-low range begins with the start of frading, nd-next day delivery. P/E-price-carnings ratio, r-dividend declared or paid in preceding 12 months, plus stock dividend. a-stock split. Dividends begins with date of split. sis-sales. 1dividend peid in atock in preceding 12 months, estimated cash

value on ex-dividend or ex-distribution date, u-new yearly high.

v-trading halted vi-in bankruptcy or receivership or being reorganised under the Bankrupicy Act, or securities assumed by such companies wel-when distributed wi-when issued wwwwith warrants. x-ex-dividend or ex-rights, xdis-ex-distribution.

xw without warrants, y-ex-dividend and sales in full yid-yield.



AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Textes Sanas Sanas Sanas Sanas TANDERS OF A SECRETARY SECURITY OF A SECRETARY SECURITY OF A SECURITY OF 134 44 191 191 195 195 24 195 24 195 24 195 previous 52 weeks plus the current week, but not the latest tracing day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on 45 1772 8114 13 27
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80 31% 25% 37 25% 81% 250% 50%

2-sales in full.

VFCp Valero Valer VanDrn Varco Varco Varien Varo

AUSTRALIA

Aug. 29

ANZ Group...... Acrow Aust.....

NETHERLANDS

Bredero Cert..... Boskelis Westm...

Caland Hidgs..... Credit Lyyn is 8k

Price + or

Correction phase takes hold

SLUGGISH form emerged on Wall Street yesterday as investors backed away from both fixed interest and stock markets, writes Terry Byland in New York. Retail interest in bonds was thin and the professional market traders. whose optimism over interest rates was so abruptly quenched last week, also had to contend with Friday's news of a fall in M-1 money supply far smaller than market forecasts. The key long bond, sharply down in late trading on Friday, gave further ground yesterday.

The stock market traded sharply lower in the first hour but the 1,181 mark on the Dow Jones industrial average again served as a resistance level. Leading stocks later rallied slowly and by the end of the session the Dow was a net 2.04 points up at 1,194.11.

But turnover was the lowest since last New Year's Eve. Only 53.2m shares changed hands and the broad range of the market showed share losses, at 903. easily exceeding gains of 609.

Now that it seems clear that the Federal Reserve Board is unlikely to instigate any further falls in interest rates in the short term, the stock market has reverted to its "correction mood," with commentators competing to forecast the bottom of the correction. Belief in a renewal of the bull phase in the near future has remained undimmed, however.

Small losses were scattered among the major stocks. IBM, still widely regarded as the likely winner in both the mainframe and personal computer markets, gained 5% to close at \$119.

Honeywell at \$116% managed to gain '\$1½ while in the active home computer sector, both Coleco at \$37% and Commodore at \$43% were a dollar to the good. With IBM about to introduce its new Peanut home computer, the U.S. investment inedia has been busy weighing the chances for the established winners in this fast-growing segment of the indus-

Motor shares were featured by Ford, \$% off at \$54% in heavy turnover as the market assessed the implications for earnings of the company's success in European markets.

Cincinnati Milacron, a major manufacturer of machine tools, put on \$1/4 to \$28% in response to the news that machine tool-industry orders rose by 19 per cent last month.

Some firm spots were to be found in steels after price rises from the major companies. Inland, recommended by brokerage analysts, put on \$\% to \$29\%. But oil shares continued to give up some of last week's gains, Exxon shed-

ding \$\% to \$37\% and Mobil \$\% to \$32\%.

The credit markets traded nervously in the face of some small selling from the professional market. With Federal Funds only marginally lower at 9% per cent and September expected to bring a hefty weight of Treasury financing, traders were unwilling to take on any more stock in addition to the bonds bought over the previous fortnight.

Discounts on Treasury bills slipped by about six basis points to 9.24 in the case of the three-month securities and two basis points to 9.48 in the case of the six-month.

Municipal bonds lost as much as one point while bracing themselves for a rush of around \$1.4bn in new issues this week. Corporate bonds remained quiet but prices eased in line with the federal bond sector.

TOKYO

Selective buying by incentive

GROWING concern over higher U.S. interest rates and a weaker yen led to selective buying of incentive-backed and speculative issues in Tokyo yesterday and shares moved slightly higher, while trading on the bond market was extremely thin, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei-Dow market average closed 13.93 points up at 9,172.54 on volume of 372.29m shares, which was limp for a closing day of the trading month. Nevertheless, the volume was slightly up on the previous session as securities

houses exerted greater sales efforts throughout the country. The market has in effect entered the month of September, because shares bought are delivered in four trading days' time.

Investors generally took a cautious view of the market's outlook because of fears of higher U.S. interest rates and the yen's slide to Y247 to the dollar. They were also discouraged by dwindling hopes for increased purchases by European investors early this week, as foreign activity was restricted by the bank holiday in Britain.

Among blue chips, NEC firmed Y20 to close at Y1,480, but some other issues eased on small-lot selling, with Sony losing Y70 to Y3,350, Matsushita Electric Y20 to Y1,580, Hitachi Y2 to Y865 and Toyota Motor Y20 to Y1,160.

Pharmaceutical issues found buyers across a broad front on expectation of new drug developments. But mediumcapital drug issues such as Mochida and Kaken came on offer on news of poor earning results stemming from lower standard prices for drugs.

Banyu Pharmaceutical rose sharply

by X90 to Y1,490 on speculative buying London and Hong Kong were both

closed for public holidays. Madrid as usual did not trade on a Monday.

following its capital tie-up with Merck of the U.S.

Aoki Construction advanced Y46 to Y693 on rumours of a gold dust find in Brazil. Citizen Watch climbed Y23 to Y635 and Rhythm Watch Y27 to Y597, on renewed speculation of a business link with an influential U.S. company.

· Trading on the bond market dwindled further, largely because of the unclear outlook for U.S. interest rates. City, regional and trust banks all stopped selling bonds while agriculture and forestry-related institutions shied away from the market.

The yield on the benchmark 7.7 per cent long-term government bond, with a little more than six years remaining to maturity, remained almost unchanged at around 7.75 per cent. Leading brokerage houses are bullish about the market's prospects, saying that if the yield climbs two basis points to around 7.77 per cent, the bond will meet good demand, ruling out the possibility of a decline in the market.

EUROPE

Week starts dull and dispirited

THE RENEWED strength of the dollar, on the back of U.S. money supply disappointments, was identified by bourse brokers yesterday as the primary reason behind a dull and dispirited day as interest rate concerns came once more to the fore.

Brussels was additionally prone to jitters over the future of the governing Belgian coalition, rent by divisisions on proposed tax concessions to stimulate the building industry. No clearer indications emerged, however, that the centreright government which the market so favours was about to fall.

Holding companies were most affected, bringing Société Générale BFr 30 to BFr 1,870, Sofina BFr 70 to BFr 4,930 and Bruxelles Lambert BFr 35 to BFr 2,315.

Steels were depressed, with Cockerill Sambre off BFr 4 at BFr 163 and wire maker Bekaert BFr 100 weaker at BFr

A firm Amsterdam opening gave way to widespread losses which rarely followed sectoral lines.

Of the major banks ABN suffered a Fl 3.50 fall to Fl 363.50 but Ned Mid put on F1 1.30 to F1 143.30, while demand for the internationals centred on Philips up Fl 2.10 to Fl 45 - at the expense of others such as KLM, down F1 2.20 to F1 144. Elsewhere Fokker added a guilder to F1 37.

Dutch bonds were steady but lethargically dealt. The pricing of an ABN seven-year, 9 per cent issue at 100.8 instead of the expected par was accepted with equanimity.

An extension of last week's Frankfurt decline left the Commerzbank index 11.6 lower at its midsession calculation of 915.9.

The release of optimistic projections for West German manufacturing by the IFO economic institute had little immediate impact, although in singling out car makers as particularly well placed for the second half of the year it may have contributed to making Daimler-Benz a firm spot, up 80 pfg at DM 563.80. At the same time. Volkswagen dipped

CANADA DM 5.20 to DM 212.50 and BMW DM 4.30 to DM 375.50.

Government bond prices lost as much as 80 basis points, affected not only by U.S. factors but by the July current account slide into a DM 3bn deficit announced last Thursday. The Bundesbank bought DM 80m in public paper.

A moderately active Paris session finished with a lower bias as Friday's profit-taking carried over. Foods were among the most active, with Beghin Say down FFr 13 to FFr 311 and Moet Hennessy FFr 36 to FFr 1,205 but Lesieur up FFr 27 to FFr 1,162.

A bank of France tender brought the sale of FFr 2.44bn in nine-month Treasury bills and a yield down to 12% per cent Can NW Energy ____ from 121/42.

Broadly lower Zurich showed Jacobs | Com long Bank _____ Suchard as the only leader with a gain Canadian Pacific of any substance. The confectioner ended SwFr 50 stronger at SwFr 5,775, in Cheften O'Kin Cheftein Contrast to a loss of SwFr 40 for Nestle Continue at SwFr 3,940.

Banks and insurances also fared poorly, while domestic bonds were law Devel marked down significantly.

Uncertainty over the scope of Italian Government measures to curb public | Donto Patroleum borrowing overshadowed Milan, where a broker noted that many participants had taken positions in expectation of a bullish month and were now acting to liquidate them.

L30,400 and insurer Generali L1,200 to L143,100, while among the industrials Fiat fell L46 to L3,189 and Snia Viscosa L45 to L1,200. Long-dated Treasury issues found buyers in an otherwise easier bond market.

AUSTRALIA

reason for resilience

SMALL but consistent declines throughvalues.

ries of precious metal prices.

gainville Copper three cents to A\$2.92. Ordinaries index 1.1 off at 695.6.

SINGAPORE

SPORADIC buying interest was finely balanced by profit-taking in Singapore, with advancing issues ahead of declines

Banks were very thinly dealt but mixed industrials showed livelier features. Haw Par added 12 cents to \$\$2.63 while Straits Trading slipped 15 cents to

with a 35-cent jump to S\$8.70.

holiday left volume at a trickle.

Foreign ownership of these shares, brokers' figures show, is down to some 37 per cent of total capitalisation on a steady decline from 42 per cent at the end of 1979. Nonetheless, much of the buying and selling impetus still appears to stem from financial centres abroad.

R151. Industrials held steady.

CANADA

higher on its sharply reduced second quarter loss. Most Montreal sectors hovered just above pre-weekend levels, with most of the losses among banks.

DENMARK

FRANCE

Emprunt 4/2 1872 2.140 -8 Emprunt 7% 1875 9,999 +1 CNE 5% -5 Air Liquide 457 -8

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Banca Commerciale shed L250 to

As often occurs, Scandinavian markets proved more buoyant than the rest. Stockholm encountered lively dealings which took Ericsson SKr 25 higher to SKr 405, while Copenhagen featured Danske Sukkerlab with a DKr 27.40 rise to DKr 732 and Oslo accorded Norsk Hydro a NKr 18 improvement to NKr 540.

Golds find

out the Sydney resource sector yesterday, attributed mainly to a lack of overseas involvement, were punctuated only by a good showing for some leading gold issues in the face of lower world bullion

Dealers pointed out that their latest earnings and production figures had been promising, thus allowing the stocks some resilience against the vaga-

Base metal producers were worst affected by the neglect from abroad. BHP came down 10 cents to A\$11.25, Western Mining seven cents to A\$4.93 and Bou-Industrials were quiet, leaving the All

by a bare 100 to 98.

S\$5,85.

Faber Merlin, the day's most active with 1.2m shares changing hands, moved up three cents to \$\$2.71. Hong Leong Industries led the second section

SOUTH AFRICA

LITTLE direction emerged for Johannesburg gold shares as the British bank

President Brand firmed 50 cents to

R57. while in mining financials Gold Fields of SA put on the same amount to

A WEAK Toronto opening was all but offset by the close in light volume. The resource and transport sectors attracted most of the selling. Massey-Ferguson moved marginally

Nesten Get) AUSTRIA Aug. 29 Credit start Swedish Match ... 251 Goesser.....Interunfall Volvo B (Free) ... 475 Steyr Daimler..... Veltacher Mag.... SWITZERLAND 301.5 -0.5 328.5 +0.5 333.9 -4.1 BELGIUM/LUXEMBOURG Schering Aug. 29 Price + or Aug. 29 Alusuisse..... Bank Leu.... 4,200 -26 V.E.W. Verein-West Brown Boveri..... 1,155 -- 60 Clba-Geigy 1,950 -- 40 | Int A Link | 4,600 | 5,080 | -100 | 1,980 | -10 | 163 | -4 | 4,500 | | 4,500 | | 6,350 | -40 | | 4,500 | | 6,350 | -40 | | 4,500 | | 6,350 | -2/ | | 6,400 | | 6,400 | | 6,400 | | 6,400 | | 6,900 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 | | 6,000 310 /-I. Volkswagen 212,5: --5,2 Price Lire Banca Com'le 30,400 --250 Basto: I IRBS 241 --7 Centrale 2,030 --65 Credito Varesino 4,789 --11 Fiat 5,189 --46 Finsider 48 Generale (Assic) 145,105 --1,200 Invest 2,625 --30 Itaicementi 47,900 Montedison 218,2 --5,8 Olivetti 3,630 Pire II Spa 1,815 --19 Snia Viscosa 1,200 --45 Toro Assic 12,290 do. Pref 9,390 --61 Royale Belge..... Soc. Gen. Banq.... Soc. Gen. Belge... Solvay. 3,150; —10 Fraction Elect 3,435; —40 JCB. 5,235; +125 Vielle Mont 3,558; +5 Indices

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NEW YORK-DOW JONES

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BELGIUM Belgian SE (81/12/83)	188,08	188.44	155,45	. 185.87.	184,45 (1/8)	- 100,50 (4/1)
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FRANCE DAO General (51/12/82) ad Tendance (51/12/82)	188.8 r 148.5	138,7 146.4	157.7 145.6	387.4 146.5	187,7 (25/8) 146,5 (24/8)	96.1 (8/1) 88.0 (8/1)
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APAN ⁴⁴ Dow Average (18/6/49) Okyo Now SE (4/1/48)	8172,64 877,9	9145.541 877.8	9145.07 877.89	9147.54 978.83	9208.75 (22/8) 982.49 (22/8)	2808.18 (85/1) 574.61 (85/1)
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iorway 310 se (4/1/25)	202.77	200.11	209.92	201,01	214.46 (18/8)	- 85.01(4/1)-
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AMERICAN STOCK EXCHANGE CLOSING PRICES

every day in the Financial Times

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FINANCE hire purchase sub-controller, becomes finance direcsidiary of Cattle's (Holdings); tor of OZALID (UK).

pointed executive chairman, Mr Robert Flashman has been

appointed sales director (previ-Mr Brian William Ward has ously director of national been appointed managing direct account sales) and Mr David tor of CATTLE'S HOLDINGS Cracknell, previously finance

Chief executive £8.8m road work for Tractor Shovels

at James Neill

September 2. Ballock manager and sign of . Cattley Roddings and disting routed force of the Rass Line Roddings and placed arrow of the Rass Line Roddings and placed routed forced f

for safety. Completion is due next July. An office development with courtyards is to be built by present WIMPEY CONSTRUCTION UK Boyls.

superstore which will be fenced

a small lake, on one side-of the use 60 mm and 80 mm insulation slabs. The roof decking slab is laid on the deck which is manufactured from bot dipped waterproof membrane. The

present contract is worth £5m to

vehicles is included in the planned for this year. Roofing Aylesbury sewage treatment awarded to LAING totalling works have been awarded Thames Water Authority under an 18-month construction programme—a reaction tank, four started, and is worth £1.5m. All final tanks, pump-house, flow windows in the building are galvanised steel by Plannia channel and associated pipe-work being removed and replaced, Trocal supplied the are the principal aspects of the

contract. The Property Services

Agency has placed an £800,000

two-year contract for various

Fleming Technology (at Tyl 2.79 Fore Motor 30c Foreshaws Burtonwood Browery 6.585p

Forte Hides 4.80b 1988-93 1.2pc, 7,7pc
Dis 1988-90 3.83p
Foster Bros Clothing Signoff 1.925p
Great Portland Est 4p
Great Ckingdom of Spokin 2/2pc, Sec
1914 8d 1965 2/2pc

nearly £3m. Work on the part three, part 12-storey building in Newhall Street, Birmingham, has external elevations cleaned, an entrance canopy constructed and a pedestrian bridge to link the building with Brindley House,

Union Carbide 65cts
Union Discount Co of London 11p
United Mexican States 15 april 2002 (Reg)

Assicurazioni Generali

1982 Highlights From the Report of the Board of Directors

(000 L'S Dollars)	1982	1981
Premiums written	7,400,981	1,237,352
Premiums ceded	-210,136	-223,088
Premiums net	1,166,545	1,014,264
Net investment income	239,295	189,220
Technical interest allocated to	•	
Life funds	- 100,967	-83,204
Investment income available	138,328	106,016
Insurance underwriting result	<u> </u>	– 65,362
Operating result	46,529	40,654
Profit on sale of investments	18,998	15,816
Profit from transfer to		
"Cenerali Leben" Frankfure	6,75?	_
Sundry income	4,664	570
Unrealised capital losses on accurities	- 14,242	- 14,855
Allocation to reserve for realised capital		
gains to be reinvested	- 5,102	- 2,058
Takes .	<u> </u>	<u> </u>
Total other items	- 8,490	- 6,462
Profit .	28,039	34,192

• Cross premium written by the Company totalled \$ 1,40? m (+ 14.2% on cirual terms).

• The profit for the year amounted to \$ 38 m after allocation of \$ 5,1 m to the reserve for realised capital gains to be reinvested.

• The underwriting loss suffered a marked increase varying from \$ 65.4 m

of the sale of properties, and \$ 13.9 in is generated from the sale of secu-

• Investments at the end of the year amounted to \$3,127.2 m showing an increase of \$ 5?7.2 m (+ 22.6%) over the prior year.

• Net investment income totalled \$ 239.3 m increasing 30.5% on equal terms. The average yield has grown from 8% in 1981 to 9.1% in 1982, Realised capital gains amounted to \$ 19 m. Of this total, \$ 5.1 m is in respect

• The revaluation of investments regulated by a special law resulted in a positive balance of \$ 288.9 m which has been allocated to the proper revaluation reserve. Due also to this operation the shareholders' surplus, including the year's profit, increased to \$ 609.4 m (+ 107.5%).

• The Life portfulio of the Frankfurt Branch Office has been transferred to the Subsidiary Company "General Lebens versicherung AG".

● The ilividend per share amounts to \$.80 being paid on a larger number of slares as a result of the capital increase from \$ 73 m to \$ 91.2 m. Therefore, the actual growth is 25%.

 The Extraordinary Ceneral Meeting approved the proposal to increase. the capital from \$ 91.2 m to \$ 182.4 m by doubling the nominal value of the shares and subsequently splitting the shares in the proportion of 4

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned. are loterims or finals. The sub-divisions shown below are based

mainly on last year's timetable. DIVIDEND & INTEREST PAYMENTS—
Amenti Core Scri
Scottlin and represents Brewerles 3.183s TODAY

COMPANY MESTINGS—

G.B. Papers. Guarabriage. St Andrews.

Fite, 12.00

Moorgate Inv Tr. 1 Brewer's Green.

Social manager Sw. 3.15

Parrish (J. 7.) 136. Shipids: Roed.

Newczer-goon-Tyne. 11.00

DIVIDEND & INTEREST PAYMENTS—

Interimal Intertosu Dufay Bitomastic Francis Paricer Lactoroke Weir

DIVIDEND 4 INTEREST PAYMENTS—Bank of Montreal 49cts
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ICC OH Services 0.029
Kiten-E-Ze Hioss 20
Latham (James) \$.459
Longous Gro 0.89
MSI Intel NV Gtg Fits Rate Notes 1986
\$492.45 Nationwide Building Soc 11 uptads 30/8/83 COMPANY MEETINGS COMPANY METINGS—
CHIF OII, 58 St James's Street, SW,
10:30
Flenting Technology inv Tst. P.S. O. Bidg,
122, Leagenhall Street. EC. 10:30
Forshaws Bursonwood Brevery: The
Brewery. Bursonwood at Warringson,
Chestology, 17:00
Greet Fortland Estates, Brown's Flobal,
Doner Street, 12:03
Regulian Properties. Washington Hotel
Curron Street, W. 3:06
BOARD MEETINGS—
Flasher

Assoc. Dairies
Sact of Scotland Onshore
Interiors
Sabcock Intel.
Develops (1. J.)
Guardian Royal Exchange Assoc Guardian Royal Exchange Asson
Jacks (William)
Nu-Swift India
Owners Abroad
Robinson (Thomas)
Scorrow (G. TV)
Stanier (A. G.)
AMEC 6-3p
Alexander and Alexander Services inc 25cts
Allied Leather inds Sport 1.75p
Alines London Props 10-portston Slape
Arlington Motor Hidde Ap
Atking Bros (Noslery) 51-port 1.825p
Actions Bros (Noslery) 51-port 1.825p
Brank of Ireland Fits Rate Capital Nts 1948
\$24.60
Bankamerica Corp 38cts
Santamerica Corp 38cts

Berry Tet Alpecarin 1993 2 June
Braces Class A Cov NPV 40cts
Sitten ing and Gen Jav Tyr Sipods
1969-89 3 June
Surmah Off Stands 1991-96 4 June
Control London (New) Ott Aeste 2pc
Checkers Stores Soch Sets. Soch Sets.
2ndSpcPf Sets. 3nd SpcPf Sets
Citicorp Oversess Flances Corp Ged Fits
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Combines English Setres Gry 9type(in
1988-91 4 June
Crode Istat 10 JuneIn 1991-96 Stanc
Derby Tit Inc 11.076s
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Donty Group 79cln 1986-81 3 June
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Except JuneIn 1961 1886-82 5 June
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- Heisne of Lundon 1.11p
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- 2 lunc 7 pc | stDo 1986-81 3 lunc, 7 lunc
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- Hickon International Ja
- Icl SpcDp 1963-88 3pc
- Intervational International Jac
- Intervation Video (Hidgs) 7 pcPt 3.5p
- Investions in Industry 8 luncin 1993-97
- 474600 47 Hard Johnson Pirth Brown 11acts 1993-98 4-569c Ketter Aluminium Chemical Comp 15c Ketter Hr 1979-85 Lynock (C. and G.) Stanger 2.2750
London Structured Inv Societ 1.750
London Structured Inv Societ 1.750
London Structured Inv Societ 1.750
Lyle Shipping Stanger 2.38250
Manufactorers Hangeur G'see Geo Core
Manufactorers Hangeur G'see Geo Core
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TR City of London Tet Df 1.25c, Pf
7p. Speciately 2.1e. Speciately 2.1e
Temple Bar line Tet disposed 1978-97

Zupe
Thamas Inv Sec 12pcPf 4.5e
Tilling (Thomas) BecDb 1985-90 Apc
Tolique Hides 10c
Travis Arnoid BecLn 1987-93 Apc
Tripleyast 7-specDb 1987-91 3714BC

URM, Ge 7-specDb 1987-91 3714BC

URM, Ge 7-specDb 1980-85 3-spec 7-to-obb
1986-91 3-spec 10pcLn 1992-97 5-pc
Wormalds Wellow Addrage Specn 1986-1991 4-spec
THURSDAY, EEPTEMBER 1 THURSDAY, SEPTEMBER 1 COMPANY MEETINGS;

Rooms, Grest Queen Street, W.C. 12.16 Carclo Enting Gp, George Hotel, Hudders-neld, 3.00 neig, 3.00
Christian Sainesen, 30 East Fettes Ave., Estaburgh, 12.00
Hales Properties Group, Estiry, Hotel, Wishaw, Setton Coldheld, 12.00
Kinta Kellas Rubber Estates, 1:4, Greet Tower Street, EC., 12.00
Repold, Repold House, Wythenshawe, Menchester, 2.30
Selectly, Churchill Hotel, Portman Square, W., 11.30
Selectly, Churchill Hotel, Portman Square, W., 11.30
Stary Offices, Belife Esthange, 14-30 St. Mary Ares, E.C., 12.00
Sylvane, Post House Hotel, Leeds Road, Stumbook, Nr. Leeds, 2.30
RDARD Street, 2.30 BDARD MEETINGS-Tinals: Continental Microwave Interimet Apple American Gold Interimet
Apple American Gold Inv.
Arrow Chemicais
British Petroleum
Cadeliny Schweppes
Cambridge Electronic Inde.
Charterhouse Group
Metal Closures
Micro Business Systems
Morpas Crucible
Noble and Lund DIVIDEND & INTEREST PAYMENTS

DIVIDEND & INTEREST PAYMENTS
AMAX Inc Sc
Across 7 spcADb 1986-91 12pc
American Brands 90c
American Brands 90c
American General 20c
Asbdown Inv Tax SpcDb 1985-90 11pc
Blue Circle SpcDb 1988-93 1/2pc, 7pc
Db 1985-93 1/2pc
Brands 1 spc1qaDb 1997 0.9375pc
Brands Lake Huros Railway 5/2pc1stPp
France Nickolls Coopes 8/2pcla 1987-92
Clarke Nickolls Coopes 8/2pcla 1987-92
Clarke Nickolls Coopes 8/2pcla 1987-92
Clarke Nickolls Coopes 8/2pcla 1987-92
Continental Ind Tax SpcDb 1980-85 11pc
Cultures Storms SpcPf 1/75p
Delity Mail Sen 1sc 12p, A 12p
Daniel Braweries 4pcDb 10c

2. Surrey Water 2.8pcPf 1.4p, 4pcDb 1pc
7pcDb 1987-98 22pc
Base Worcestershire Waterworks 3.5pc
1.75pc, 7pc 3.5p. 2.8pcPf (1935) 1.4p.
2.8pcPf (1941) 7.4p. 1.85pcPf 1.925p
Breatic Gen 9pcDb 1988-94 21pc
Fite Regional Council 131pc 1983-84
Stapc
Fletning Fletning Inv Tax 3/2pcDb 1980.

1914 Bd 1965 2120C
Greencoak Prop 6120C15tDb 1957-92 1520C
ID-Intel 26.75C
Intersoll-Rand 65C
Intersoll-Rand Intersoll-Rand 120C
Intersoll-Rand Intersoll-Rand 120C
Intersoll-Rand Intersoll-Rand 120C
Intersoll-Rand Intersoll-Rand 120C
Intersoll-Rand 65C
Interso Minas Geraes (State of Brazil) Sipple 34pc Monstato Secia 1982-86 25pc Oldsam Metropolitan Borough Council 11.25pc 2010 22.15753 Penintular Oriental Steam 35pcDb 7pc. 34ec2ndDb 7pc. Peninthar Oriental Steam 34ptDb 7sc. 34sc2ndDb 3sc. Port of London Authority 64sc 1887-90 31-pc
Radio Restals (Midgs) 54spcLn 1979-84 14spc
Radio Restals (Midgs) 54spcLn 1979-84 14pc
Radio December 7sc 7st 14pc 5spc 11spc
Radio December 1986-86 24spc
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Ratio Step 1986-86 24spc
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Ratio Step 1986-85 14spc
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Ratio Profits 1986-85 14spc
Ratio Profits 1986-85 14spc
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Supc
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3.5pc (fmly 5pc) 1.75p. 2.15pc (fmly 4tpc) Pf 7.875p 4.025pc (fmly 54pc) Pf 1983-85 2.0125p. 4.2pc (fmly 5pc) Pf 1981-83 2.1p:
Whitbread 5tpcDo 1981-36 17pc. 64pc Do 1984-87 1.6875pc
Whitbread 5tpcDo 1996-99 2pc
PRIDAY SEPTEMBER 2
COMPANY MEETINGS—
Sridgerd Processes. Companisht Rooms, Great Queen Street. WC. 11.00
Cable 2nd Winniess, Savoy Hotel, Strand. W. 12.00
Celestion Inds. Brown's Hotel, Dover Celestion Inds, Brown's Hotel, Dover Street, W. 12.00
Hollas Group, Windsor House, Southmoor Road, Wythenshowe, Manchester, 17.00
Muttione Electronics, 12. Underwood Street, N, 12.30 Shaw Carpets. Post House, Ossett. or Wakefield, 12.00 Strong Riley Drammond, Bankfield Hotel, Bingley, Yorks, 11.30 BOARD MEETINGS-Finals: Consolidated Plantations Mexanders Holdious hurch familton Oil Greet Britzin Mellerware Intri. Westwood Dawes DIVIDEND & INTEREST PAYMENTS-BIVIDEND & INTEREST PAYA Seristords 1.40
Bristol Evening Post 12p
Carclo Engag 3.25g
Flathing Gold Mining 6.5cts
Glilette 57.5cts
Haies Properties Grp 2.08334p
Hinterprint Grp 1.2p
Investors Capital Tst 1.5p
Lloyds Bank 10.65g
London and Assoc Inv Tst 0.167p
M and G Dual Tst 1.0p
Meidrum law Tst 1.4p
Randfontein Estates Gold Mining
400cts
Rommey Tst 1.5p
Western Areas Gold Mining 10cts
SATURDAY, SEPTEMBER 3
BOARD MEETINGS—
Figure:

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DIVIDEND & INTEREST PAYMENTS—
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Treasury Supports 1985 £6.1354



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Barciays Unicorn Ltd.(a)(c)(g)

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1, Olympic Way, Wembley, HA9 ONB. 01-902 8876

Capel (James) Mngt. Ltd. 100, Old Broad St., EC2H 18Q.

77 London Well, EC2N 1DB.

J. Henry Schroder Wang & Co. Ltd. 4 Gt. St. Helens, London EC3P 3EP 0708 45322 10-14, West Nile Street, Glasgow. 041-204 1321 Pearl Trust Managers Ltd. (a)(g)(z). 252, High Holborn, WC1V 7EB. 01-4051 Scottish Amicable Inv. Magrs. Ltd. Scattish Equitable Fund Nigrs. Ltd. 31 St. Andrews Sq. Edinburgh . 031-556 9202 Frankington Unit Mgt. Ltd. (a) 64, London Wall, EC2M 5NO. Porpetual Unit Trust Mingait. (p) (2) Scottish Widows' Fund Management MGM Hee, Heese Rd., Worthing Previncial Life Co. Ltd. 36 Berkeley Sq., Leadon W1X SDA. 01-499 6634 3, George St., Edinburgh, EH2 2XZ. 031 225 2552 3 Fredericks Place, EC2R 8HD. AA Friendly 67 Aug 12. - 57.8 +0.3 -SL George's Way, Stevenson Prudi. Pertfelie Mingrs. Ltd. (a) (b) (c) Holtore Bars, ECIN 2NH. 01-405 9222 1.3 St. Paul's Churchyard, EC4P 40X, 01-248 9111 Tel. (0306) 865055 Pixturn End, Dorking, 14-18, Gresham St., EC2V 7AU. F.P. Equity Units 119.2 McAnally Fund Management Ltd. Regis the, King Wiltiam St., ECA. 01-625 4951 Public Trustee, Kingsway, WC2 Tech & Gwth 148.9 Cap. Income ____ 250.7 Far East & Gen. 125.2 Ridgefield Management Ltd. 20-24, Repension St., London, EC2Y 01-368 6906 ## 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.

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Financial Times Tuesday August 30 1983 The second Co. Life Co. Life Co. Life Co. Long Property Communications (Co. Long Property Co. 1984 (Co. Long Property Co. Long Property Co. 1984 (Co. Long Property Co. Long Property Co. Long Property Co. 1984 (Co. Long Property Co. Long Pro	INSURANCE & OVERSEAS MANAGED FUNDS
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HK Fund Managers (Jersey) Ltd.

Queens Hsr. Doe Rr. St Heiser, Cl. 0534 71460

HK Gitt Fund Acc. 117.0 122.0 20.65

HK Gitt Fund (Dist.) 104.0 108.0 20.65 **GF Management Services Inc.**, N.Y. Interbebeer P.O. Box 525, Delft, Holland Estneralcol Offer Post (DF) 93 91 — [+0.11] 234 atemational Bond Trust Jardine Fleming & Co. Ltd. Leopaid Joseph & Sons (Guernsey) Hirzel Ct., St. Peter Port, Guernsey. 0481-26648. Kleinvoort Benson Group 20. Feechurch St., EC3. 01-623 80000 3.92 1.92 8.28 8.28 Korea International Trust Fund Man.; Koren Invest. Trust Co Ltd. L'o Vickers de Costa Ltd, King William Street. London, EC4. (1-623 2494 NAV won 6,987.4444. IDR value U\$\$9,020.71.41 The Korea Trust Daelsan Investment Trust Co.Ltd. 1-518, Yeldo-dong, Yongdongpo-Kit, Secul, Korea NAV (August 20, won 10,998 (US\$13.9). Lazzard Brothers & Co. (Jersey) Ltd.

P.O. Bex 108, St. Heller, Jersey, C.I. 0534 37361

Laz. Bros. int. Cap. 18377 1144 1000

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Continued on adjacent man Man. Fri and Continued on adjacent page Mon-Fri and Stack Exchange Dunlings page on Sal. Ned dealing date August 31. P.O. Sox 436, 1211 Genera 11, Switzerland See edistreet page Mon-Fri and Stock Exchange Desires Page Sat Licyds Bank International, Guernsey 0481 26761 Louis Drayfus Commodity Fund c/o Trustee, P.O. Box 1092, Cayman Islands. May 27. Valuation \$5,739.08. M & G Group Management International Ltd. Bic of Bermutz Bidg., Bermuda. 809-295-4000 See adjacent page Men-Fri and Stock Exchange Menhage stage Sat. Manufacturers Hanover Ascet Mgt. PD 8ox 92, St. Peter Port, Guernsey. 0481 23961 See adjacent page Mon-Fri and Stock Exchange dealings page Sats. Serroel Montagu Ldn. Agents
114 Old Broad St., EC2. 07-626 3434
Amer Eq Inc (2) 228 87.0 +0.61 4 94
Isom Inc (2) 510 557 +0.3 4.25
Mont. Stp. Res. 211.57 13.58 —
Wort. Inc. Car. 29.86 \$10.37 — Continued an adjacent page Mon-Fri and Stack Exthesia Dealings page Sal. 041-221 5521 Nat. Westminster Jersey Fd. Mgrs. Ltd. Newit S.A. 10a Boulevard Royal, Lucemboorg
NAV — E8.98 — | — N.E.L. International Ltd. Newport International Management Hercap Fund Managers (Surmets) Ltd.
See sejacont Page Mon-Fri and
Stock Exchange buildings Page Sat. Mormandy Trust Managers Ltd. 29, Athel Street, Douglas, 1 c.M. 0624 21724
Normandy Metal Trust, E1-525 1-5078 4.00
Normandy Cont. Tst. - (1.8830 1-962) 4.00
Carts. Carrency & 6d. - (1.0499 1.105) 5.00 Morthgate Unit Tst. Mgrs. (Jersey) Ltd. P.O. Box 82, St. Heller, Jersey 0534 73741 P.O. Box 82, St. Helier, Jersey 0534 7374] Pacific Fd Aug 24 1511.80 12.701-0.061 — Piments International 0481 26741 473 +0.08 ---3.63 +0.20 ---1.84 +0.03 ---3.63 +0.08 ---2.34 +0.02 ---

North American 37 58 Sepro 329.71 **翌**第 = Yeu Stering Deposit 1736 1737 0.14

"Stering Deposit 1736 1737 0.14

"Aug 22 "Aug 24 "Aug 25 (Wrou'y deallogs) 2000y deallogs."

Schroder Mingt. Services (Jersey) Ltd.

P.O. Box 195, St. Helier, Jersey. 0534 2756

See adjacent Page Men-Fri and

Shack Erchange Deallogs Page Sats.

J. Henry Schroder Wagg & Co. Ltd.

120 Creepside, EC2. 00-382 600

Am in Tst Aug 26 2285 23.45

Cheapside Aug 15 2285 23.45

Cheapside Aug 25 515.63 - 0.04 31

Daring Fd Aug 12 833.44 367 7

Japan Fund Aug 25 514.86 15.97 0.17

Tretaiger Fd July 31 13399.35 - 0.17

Schroder Unit Trust Migrs. Int. Ltd.

Bax 273 St. Peter Port, Guernsey. 0481 281

Minod Corney. 540.6 567.6 7

E Fixed Interest 622.1 633.2 7

E Fourty 1968 1848 1808 1808 1808 1809

Hong Kong Fund 1858.51 7.2076 1858.51 7

Schroder Life Assessment Int. Ltd.

Schroder Life Assessment Int.

Schroder Life Assessment Int. 01-382-6000 -0.31 1.00 -0.04 3.07 -0.04 3.07 -0.05 -0.05 Tokyo Pacific Heldings N.V. todenis Management Co. N.V., Caracto. Tokyo Pacific Hidgs. (Seeboard) N.V.
Intimis Management Co. N.V., Curacao.
Intimis Management Co. N.V., Cura **197** 206 7.06 01-6386111 Postfach 16767, D 6000 Frankfort 16. Postfach 16767, D 6000 Frankfort 16.
Unifonds Paris 19.90 Property S. G. Warburg & Co. Ltd. 90, Grossero Street, EC2. 01-600 Energy Intl Aug 25.... 540-41 - +0.04 Merc Eurobd Aug 17, 515-97 16-13 Select (it Aug 16..... \$15.46 - 01-600 4555 15.13 +0.04 - 6.23 Prices are in pence unless otherwise indicated and those designated 5 with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses to Today's prices is Yield based on offer price. If Estimated, g Today's opening price, is Distribution free of UK taxes, p Periodic premium insurance plant. s Single premium insurance, it Offered price includes all expenses except agent's commission, y Offered price includes all expenses if bought through managers. Z Previous all expenses if bought through managers. Z Previous all expenses if bought through managers. Z Previous aby's prices y Guernsey gross. If Suspended, b Yield before Jersey tax. T Ex-subdivision, the Only available to Chambille bodies. § Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE 370 187 388 154 1243 255 534m 158 451₂ 204 173 54 80 206 £208 13.0 £208 13.0 £283 ~ 186 190 18 129 213 285 114 110 194 110 213 81 114 That's BTR Nov Do. A' N.V 5p June Tele, Rentals... Oct. Thorn EMI Dec Bafa 10 will by Lt. Nov Imp. Chem. El .. Aug., Do 574Pf. El .. July Do Toc Car PI.92-99 Apr. Davies (G. R.)...

Dec English Assoc...

Nov. First Nat. 10p...

Do. Writs. 75-83

Dec Gerrard Natni...

Goode D't Mry.5p

April Grindfaya...

Nov. Guinness Peat...

July Hambros 5p.....

July Hong Shing \$2.50

Nov. Jesel Toya & Güett...

June Joseph (Leo) £1...

Dec. King & Shax 20p...

Nav. Kleinwort B.L...

Apr. (Lloyds £1......... Type A Deb 29-92 TypeADeb 91-94 Nov. Rectold 10p ... 3 Nov. Scer. Ag. Ind. £1. 2 Nov. Stewart Planucs... 3 Oct. Tauger Barder 10p. May Wolstenbolme ... 3 22May 22N Exch. 13120c '83 ...

12Jun 12D Exch. 13120c '83 ...

15Jul 15Ja Funding 5120c '82-8444

20Aug 20F Exch. 11140c 1984 ...

22N 22May Exchequer 14pc 1984 ...

25Mar 205 Treasury 12pc 1984 ...

25Mar 205 Treasury 15pc 1985 ...

22Aug 22F Treasury 15pc 1985 ...

21N 21My Treasury 3pc 1985 ...

25Mar 22N Exch. 12pc Cnv '85 ...

19N 19May Treasury 3pc 1985 ...

17r 10pc Cnv '86 (£40pd).

19N 19May Treasury 3pc 1986 ...

10Ja 10Jul Treasury 82pc '86 ...

10Ja 10Jul Treasury 82pc '86 ...

27Jul 22Jan Exch. 14pc 1986 ...

Exchequer 21pc 1987 ...

Exch 1012pc 1987 ...

Exch 1012pc '88

Exch 102pc '88

1.bul Transport 3pc '78.83 "Shorts" (Lives up to Five Do. 11 pc 19.12.83 Do. 11 pc 23 I.84 Do. 11 pc 13 2.84 69 62 240m 101 365 502 35 420 437m 5 504 Do. 11 apc 19/3/84... Do 11 apc 9/4/84... Do 1012 6 30/4/84... Do 1072 6 29/5/84... Do. 1072 6 28/6/84... Feb. Allebone 10p ... Oct. Amber Day 20p June A.P.V. 500 378 114 80.01 - 0.1 -Lane De Vere Hotets: 235

Ante De Vere Hotets: 235

Oct. Epicare 5p

House Met. 50p

Anni Leisure 5p

Dec Henety Brits 10p

Ct. Ladhrole 10p

Ht. Charlotte 10p

Mt. Charlotte 10p

Mt. Charlotte 10p

Privot of Wales

Oct. Queen's Moal 5p

Dec De 10 ge 6m 69 91

Oct. Rowton Hotels: 195

Oct Ryan Hotels 5p

Aug. Stakis 10p

73 June Aquascutum 5p.
June Do. 'A' 5p.
Dec Asprey 775
Feb. Baker's Strs. 10p
July Bentans Stores 10p.
Be Beattle (J) 'A' 89.
Nov. Bentans 10p.
Sept. Boardman 10p.
Sept. Boardman 10p.
July Bremmer 45
July Bremmer 45
July Bremmer 5p.
July Bremmer 5p.
July Bremmer 6p. 50p.
Burton Grp. 50p.
Rep. Cantors 'A' 20p
Apr. Charch 5p.
July Comb. Eng. 12120
Feb. Comet Group 5p.
Oct. Courts 'A' 35
Dec. Currys
Sept 40e Betr (Asire) 10p.
Dec. Debenhams
Nov. Dewhirst 10p.
Dec. Dixora Grp. 10p.
135
Dec. Dixora Grp. 10p.
135 5.1 2013.6 May - 17 - 0cl 3.0 4.3 11.1 0cl 17 54 15.8 Feb. FOREIGN BONDS & RAILS 191 11 67 11 40 Last Div % Red. Nov. Aurore Oct. Austin (James). May Babcock Inti.... 28 11 92 11.77 25 8.62 10.67 30 96 5 10.92 11.64 3.91 9.02 31D Do. 6pc '83-88 ... 10 Peru Ass. 2007 ... Turin 9pc 1991 ... INDUSTRIALS (Miscel Hire Purchase, Leasing, etc. | #Bathic Leasing Sp | 220 | - | b28 | 1.5| 1.6|15,4| Apr Nov Dewhirst 100.... 1.1 27.7 Feb. Nov. Ellis & Gold 15p. 29 Dec. June Lnd.Scot.Fin.10n 45
Feb. Oct. Moorgate Merc. 10n 251 and 158 dl.1 17 6.2 m.4) April Jan Abg Sturia Hidgs. 10n 6 21 8.0 19 7.7 9.8 Jan. May Apr. Oct. Wagon Finance 45 21 2.31 0.4 7.46.7 Feb. Jan. Aug. Brit. Steam 20p **AMERICANS**

 June Empire Stores...
 58
 23.5
 0.1
 — 0.2
 — Nove

 Oct. Executex 20p...
 16
 6.81
 — — 32.8
 Jan.
 Jan.
 Jan.
 Jan.
 July
 July
 5.0
 (2.2)
 July
 July
 5.0
 (2.3)
 Feb.
 July
 July
 Feb.
 July
 J June Empire Stores ... Price Last Div. The E Feb. Brockhouse ____. Nov. Brom's Cast 10p_ October Aero & General

Aero Needles ... May Bronx Eng. 10p July Brooke Tool 5p. Oct Brotherite P. 50p. F.My.Aq.N. |Abbutt Labs.|).... F.My.Aq.N. |Alcoa 15 BEERS, WINES & SPIRI Ma.h.Se.De. Amax \$1 Sept. Amber Inds. 10p. Fo My Au Na Armdahl 50ct. 5Ap. Funding 54pc '87-91## 25Ap. 250ct. Exch. 11pc 1991...... 22Jul 22Ja. Treasury 124pc '92##... 21Aug. 21Fh. Treasury 10pc 1992... 25Fb. 25Aug. Exch. 124pc '92...... 22Mar. 22S Exchequer 134pc '92..... Sept. Brown (John)... Mar. Bullough 20p.... Dec. Burgess Prod.... Aug. Butterfield Hvy. F.M.A.S. Amer. Express S0.60
F.Ny.Au.N. Amer. Medical Ind. S1.
M.A.N.F. Amer. Nat. Res. S1.
American T. & T. Co.
M.J.S D. Amfac Inc.
M.J.S D. Bank America Corpo.
A. J. O. Ja. Bankers N.Y.S.10 App. Applic Computer 435
las. Aug Arenson (A) 10p. 17
November Armour Trust 10p 1712
lpr. Oct Ashley Ind. Tsl. 23
lan. July Ass. Bril. Eng. 125p 35
Assoc. Bril. Ports 176
Anne Heat Services. 292
ct_hare Ashly & Madeley 20p 90
Jamuary Arthropols 140 Dec. Do Protice 99.01 F188 Oct. Boddingtons 129 July Border Brew's... 94 142 12 52 12.06 22Mar. 22S Exchequer 134pc '92...

4 Ja. 14 Jiy Treasury 121pc '93tt.

15 Mar. 15S Funding 6pc 1993tt.

23 May 23 N Treasury 134pc 1993tt.

15 1 Mart Treasury 141pc '94tt.

270 27 Ap Exchequer 131pc 1994

22F 22 Aug Exch. 121pc 1994

17 May 17 N Treasury 9pc '94tt.

25 Jul 25 Ja Treasury 12pc '95...

18 1 May Gas 3pc '90/95

21 Ja 21 Jul Evch. 104pc 1995...

15 May 15 N Treasury 12 Juc '95tt.

15 15 May Treasury 154pc '96tt.

15 15 May Exchequer 134pc '96tt.

14 10ct Redempton 3pc 1986-95.

22 Jul 22 Jul Treasury 134pc '97tt. June Capper-Neill 10p. Aug. Apr. Greenfields 10p 38
Feb Aug Habitat 10p 288
Jas July Da Pacco 98/300 E196
May Nov. Harrd Opensary.
Oct Freeland 10p 78
Mar. Sept. Helene Lon. 10p. 2312
Ary Nov. Henriques A 10p 27
July House of Freeza Aug Habitat 10p...... 288 206 5.3 2.6 2.6 19.9 Jan. July Du Parcon 10p..... 278 254 25.67 2.7 2.9 17.5 Oct. Feb. 2312 5.6 4 10.7 4 Feb. 2312 1.5 5.6 4 10.7 4 Feb. 2312 1.5 5.6 4 10.7 5 Feb. 2312 1.5 1.5 3.7 (26.6) Feb. 2312 1.5 1.5 3.7 (26.6) Feb. 25.6 1.5 3.7 (26.6) Feb. 25.6 1.5 3.7 (26.6) Feb. 25.6 1.5 3.7 (26.6) Feb. 26.6 1.5 2.0 1.5 11.0 8.4 Jan. Nov Home Charm 10p 115 213 hdl.33 2.9 1.7 24.1 Aug. July House of Fraser 242 1.5 7.5 1.4 4.2 9 Jan. July House of Fraser 242 1.5 7.5 1.4 4.2 9 Jan. Aug. Jones (Errest) 10p. 66 47 d3 9 0.3 8.4 Jan. For Kean & Scott see Industrials For LDH Group see Industrials Aug. Aug. Aug. Carcle Eng. May Caronghi R. 10p. July Castings 10p. Jan. Chamberlia & Hill. M.Je.S.D. WBeth Steel \$8...

Ja Ap.Jy.D. Brown'g Fer. c162,1

F.My.Ag.N. Brown'g Fer. c262,1

J.Ap.Jy 0

Campbell Soup

Campbell Soup Feb. Brown (Matthew) 218
July Buckley's Brew. 45
Mar Bulmer (H P) 5p. 317 May Cartwright R. 10p. 93 11.4 4 63 11.9 Castings 10p. 38 6.6 2.42 29.11 2.9 38 12.9 Cheming 5p. 568 20.6 †6.2 0ct. Christy Bros. 25 179 — May Clayton Son 50p. 66 95 6.0 Feb. Cohert (A) 20p. 245 4.7 8.4 Mar Bulmer (H P) 5p. 317
Oct. Clark (Matthew). 318
July Omerants Bir (Hds.) 278
Oct. Distillers 50p.... 226ad
Aug Forston Burtonopt. 470
Feb Greenal Whitey. 111 For Austin (E) see Caparo Jan Avon Rubber 11 123 4.6 1.6 19.7 July 1.8 4.3 17.4 May 1.8 4.3 17.4 Jan 2.6 8.2 59 Mar 3.9 2.6 14.1 Jane 2.8 4.8 9.6 Dec. 2.8 2.9 17.0 Dec 31½ 27.7 \$3.50 — 7.4 Feb 32½ — \$3.24 — 6.7 Aug. 25½ al 31.5 \$1.84 — 4.8 Aug. 15% 579 — — Aug. 18 8.62 66 +3.7 July Conceptric 10p.
Sept. Cook W. Shef, 20p
June Cooper (Fr) 10p.
Dez Cooper Inds, 10p. Mr_Je.S.D. Chesebrough \$1... Mr_Jh.S.D. Chrysler \$64..... My.Au.N.F. Citicorp \$4..... Feb Greene King.... 18 15 0 102 0 23.5 01.55 21 8.9(42) Feb Gunness 114
July High'd Dist 20p 97 206 75.23 2.4 6.5 8.9 Apr. 25.4 12.86 2.6 4.2 (313) 25.4 4.0 2.9 3.8 12.2 Nev June BWG 20p Dec. July Baird (Wm.) £1 290 Bardsey 10p.... Pet. Crontte Group...
Oct Crown House....
Det Cummins 78/94
Sept. Danies Governon...
Apr. Danies Het A 100. For LDH Groop see Industrials

Apr. Ladies Pride 20p 3412 187 ±3.4

Nov Lee Cooper 135 235 3.32

Nov. Liberty 144 95 3.0

Apr. Liberty 159 187 ±2.0

Apr. Misserty 160 5912 187 ±2.0

Apr. Miss & Spencer 133ad 15.6 3.7

July Marks & Spencer 212 95 5.1

July Marks & Spencer 212 95 5.1

July Mericies (J.) 303 235 5.0

Nov. Muletts Leis 20p 150 6.6 d6 95

Feb. NSS News 10p 106 235 N3.0

Aug. N'Ibn. Goldsmith 186 1511 0.85

Apr. Otiver (G.) A". 200 213 6.0

Dec. Owen Owen 157 9.5 3.0

July Paradite (8) 10p. 9.8 1111 — For LDH Group see Industrials MyAuN F
F.My.Au N
Colgate-P \$1.....
Ma.Ju.Se.De. Cott Inds. \$1..... 23.5 (030.6° 3.3 4.4 10.5 0ct 11.4 7.15 2.5 1.6 (27) Aug. 18.7 2.33 3.1 3.1 14.7 May 0.5 1 (293) Feb. 6.5 3.5 4.6 Aur 1.9 10.24.0 Jan. 1.9 4.9 14.7 Oct. 2.4 4.8 12.3 Apr. 2.6 4.0 13.9 Jan. 2.8 3.4 20.8 As 22.ful 22.la Treasury 13 apc 97tt. 21Aug 21F Exchequer 10 apc 1997 1Mar 15 Treasury 8 apc 1997tt 27Ap 27Oct Exch. 15pc 1997..... D Ja Ap Jy Cors. Foods \$113. 947 d 17 1 11 10 11 28 847 d 24.1 10.36 10.95 1274 21.1 12.28 11.74 F.M.A.N |Cont. Illinois \$5...| Den Dany Corp.

June Delta Group.

June Dentis J. H. 10p

Jaly Devitent 50p

May Desoutter

July Downietrae 10p Ap Jy.O.Ja, Crown Zetl. \$5 — Damson Oil US\$0 4 7.6 \$1.00 1May(Treasury 6 kpc '95-98tt ... 737 25 9.42 10.59 Mr.Jn.So Dc. Dana Corp. 51 F.M.A.N. Eaton Crp. 50.50 Over Fifteen Years 95 — — — Oct. 235 5.0 4.6 2.410.8 Dec. 66 66.95 0.3 6.6 — Apr. 23.5 N3.0 4.1 4.0 9.5 Inn 15.11 0.85 0.7 0.7 — Feb Aug. Berilox 1.00..... 30Mar 309 Treas. 15 200 '9844... 20May 20N Exch. 12pc 1998..... 15Jul 15Ja Treasury 9120c 199944 2bS 26Mar Exch. 12140c 1999.... Esmark \$1 ₩Excton[]... Bespak 10p.... 315 May Bestobell 295 May Bestobell 295
Bestwood 15p 115
Sept. Bibty (J.) 50p 328mi
May Biddle Hidgs 187
May Billarr (J.) 10p 36
July Billarn (J.) 10p 36
Ct. Black Arrow 50p 50ml
Nov. Blundell Perm. 128
Nov. Bodycote Int'i 52
Oct. Boode Pel 'A' 10p 12 M. A. N Flo. Corp America First Chicago \$5... Flores Power & Light. 241₆ 23.8 \$3.60 — 10.0 141₄ 22.3 80c — 3.8 351₆ 1081 230c — 0.6 201₂ 86 \$2.40 — 7.8 19May Treasury 102pc 1999 14Jul Treas. 13pc 2000 ... 2.2 4.3 (122) May 1.1 2.7 (653) May June 1.0 — Oct 76 11 57 11 33 J Ap. Jy. O Fluor Corp. 55 154 11 99 11 58 Mr Je S.D. Ford Motor 52 156 11 40 11 26 Mr Ja.S.D. GATX \$5 22N 22May Treas. 14pc '98-01...
22Jul 22Ja/Exch. 12pc '99-02....
25Ja 25Ja/Treas. 13Jupt 2000-03
195 19Mar Treasury 11Jupt '01-04
14Ja 14Jul/Funding 3/2pc '99-04
21May 21N Treasury 12Jupt '03-05
5Ap 50ci Treasury 9pc '02-06-12
22Jul 22Ja/Treasury 11Jupt 03-07 BUILDING INDUSTRY, July Paradite (8) 10p. TIMBER AND ROADS Apr. Oct. Gen Elect \$212 General Foots Corp. \$1 Mr. Ju.S.D Gillette \$1 Apr. Peters Stores 10p. 0.8 7.8 (2.5) Apr. 4.1 5.8 (4.6) Feb. — 8.4 — Jan eb Sept Preedy (Alfred) January Ramar Text. 5p - AMEC 50p...... 233 18.7 19.0 5.9 - Jan Nov. Aberdeen Const. 178 235 16.5 3.0 5.2 9.1 Mar. Nov. Arncliffe 10p.... 76 3.1 266 2.4 50(9.5) Dec. GUEL ONII 7.6 B— 2.4 5.0 (9.5) Mar. Dec. July 11.4 †0.81 1.3 5.3 (19.0) March Feb. 2.5 7.0 1.8 8.8 (8.2) Feb. 2.5 7.0 1.8 8.8 (8.2) Feb. Oct. Raybeck 10p kely Read Cut 5p Dec. Reed Austr 7 N.V 13 10.01 10.29 156 11.06 10.96 17 11.25 11.03 Mr.Ju S.D. Honeywell \$1.50. - 0.8 - hune 2.2 4 3 15.0 May - 6.6 Just - 8.9 Jan. 0.6 7.7 (413) Nov 294xx 315 80c # 7.2.D. Hutton (E. f.) S1. 26S 26Mar Treas. 131apc '04-08. 10Mar 10S Treasury 51apc '08-12##. 26Jul 26Ja Treasury 74apc '12-15## 12 Jun. 12D E ech. 12pc '13-'17 ... Mr.Je Sep.Dc 1.8 M Corp. \$1.25. Mr.Ju S D Ingersoll-R \$2 Oct. S&U Stores 121-50. Sept. Do 25%P1 121-50. 782 206 9.92 19.05 116 65 10.58 10.51 Insideo \$1 Mr.Je.S.D. I. U. Internationalii.
J.A.J.O. Int. Tel. & Tel. S1 Undated Oct. May Brammer 20p. 162 Jan Nov. Brengreen 10p. 103el April Dec. Bridged Proc. 5p. 5 1 175 st 31 5 51 80 1941 26.5 \$1.00 Lone Star Inds ... Oct Hailite 50p..... Sept Hampson 5p.... Dec Hawker Sid..... Nov Stanley A.G. 5p Louisiana Land SO 15 Aug Bett Bros. 20p. 46 Oct Blockleys 20p. 330 May Blue Circle £1 433 Ma,Ju S.O Jn Ap Jy.Oc Lower, USSO.50 ...

J.A J.O Manf. Han. USS7.50

FeMyAuN Merrill Lynch \$1 ...

Ju.Ap.Jy O. Morgan (JP) USS2.5

N F My. Au. Morgan Simon Inc. \$1 ... Aug Stead & Sim A . 81 Apr Steinberg 10p .. 304 1 1033 241₂ 16 10 37 234 26 23 7 10.43 Apr. HHI & Smith..... Dec. Hopkinsons 50p | Superior 50 108 17 May Breedon Lime ... 75 | 13 12 | 12.87 | 2.0 | 5.5 | 11.9 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 3.0 | 5.6 | 7.2 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5. July Brokense Dates 10p 67 Mar, Howard Machy. Dec Brit. Dredging ... Nov Brown Jisn. 20p Index-Linked Oct. Howden Group . 159 Pacific Gas & Elect 55 . Penurod Co. Mer. daden J&HB 5p. Qualer Oats US\$5. ine Johnson & Firth 22 May-22 N Do. 21-pc I.L. 99 ...
24 Mr 24 Spt Do. 21-pc I.L. 2001.
20May 20N Do. 21-pc I L. 2003.
19 Ja 19 Jul Do. 2pc I L. 2006. ...
20May 20N Do. 21-pc I L. 2009.
23F ZIAus Do. 21-pc I L. 2011.
26 Jul 26 Jun Do 21-pc I L. 2016. Oct. Jones Shipman. Rexnord \$5 3.21 M J.S.D Rockwell Intl. S1. 3.11 Mr Ju.S.D Saul (B. F.) \$1. 3.02 Mr Je.S.D. \$25hell ON \$1..... 181₉ml 17.8 h\$0.88 8560 12.7 20c 311₄ 1.9 \$1.80 May Lake & Ellion Oct Comben Gp. 10p. Feb Lee (Arthur) 1212 Pet Burndene 15p., Feb Barns Ands a 16p Fb. My Ag Do VSimplicity Patt...
All N.F.My. Sperry Corp. \$0.50.
MJSD Sun Co. Inc......
Ma_ki5e Dec_TRW Inc. \$14.... Oct Conder Int. Oct Costain Group... Augic, H. Indis. 10p. 29 47 1. 95 dl. 18 1.7 Per CSR AS1 255 26.11 018c. Nov. Carney 20p. 69 25.4 44.02 July Carning (W.) 73 95 1.76 Augicaparo Inds 25 Aug Lloyd (F.H.).... July Locker (T) 5p... April Crouch (D) 20p Oct. Grouch Group Prospective real redemption rate on projected inflation of (1) 10% and (2) 7% ELECTRICALS Mangan Bronze 33 111 2.17 2.6 9.4(4.7)

Jane Martonair 20p., 227 35 8.0 2.0 5.013.5

Jan. McKechnie Bros., 133 25 17.28 1.6 7.8 (8.0) MariDew (George) 250 INT. BANK AND O'SEAS — 8.1 Ap=. Oct. Douglas Robt. M. Mr.Ju.S.D. Time Inc. 51..... A-Dunton Grp. 5p **GOVT. STERLING ISSUES** Union Cartude \$1 284a 28Jly Australia 131anc 2010. 911326 23 12.02 12.03 10514 54 13.78 12.11 9914 - 12.81 12.82 1031445 64 13.08 12.01 10512 31.3 13.27 12.04 Mar JnSpDc Utd. Tech \$US5 . Mr.Je.S.D. \$U.S. Steel \$1 23S Euro Im Bk 11pc Ln 2002 1M Finland 1412pc Ln 1986 September Mining Sup 10p. ... Jan. Sept. Mitchell Som 10p Asea AB A. ... \$1 00 -- 3.7 Jan. \$1 80 -- 5.2 Mar. 84c -- 4.2 Jan 213 =010 = 15 13421 July Cent Sheered, Sp. Mr.Je S D. Woolworths \$312...
O Ja Ap Jy. Zapata Corp. 25c. 2.0 3.9 (147) 2.8 6.6 7.2 2.6 6.4 8.3 1.8 8.9(7.5) int-Am Dev Br 121-pc 2003 Inl. Bank 131-pc 1986... Do 14pcLn 1987 173 223 180 2204 60 287 Nov. Molas.... Feb. Centrasy Inc. 10p. 51x 140 331, 264 155 172 134 34 355 5284 34 228 651, 105 ANS

143-pd Let \$1.96 - 7.4 July Oct. Grover.

21.26 303 \$1.92 - 4.9 Mar Sept. H.A.T. Grp. 1 up Jun. Sept. Helicai Bar. 60

22.27 June Hewden St. 10p June Hewden St. 10p June Willy 9Chwa Light HK\$5. - 12 43 12 66 28 19.70 21.95 Man BSR Intel 10p ... 15 Mex 16120c Ln 88 £30 Oct Christie T.10p May Christies Inc. 10p Aug Chubb 20p Nov. Newman Tonks. After Electronics Mp. After (Wichael) 20p Ma S J.D. (Bk. Mostreal \$2 ... J.A.J.O | Bk. Nova Scot. II... 29Jiy 29DedN Z 14140c 1987 Feb. Norton (W. E.) Sp. D 114pc 2008 (F30pd) June Clarke (Clement) Sarrick Res Corp. 142 23 11 12.09 Dec. Cole Group Ja. Beli Caradaji.... Nov. YBow Valleyi ... Aug. Pegter-Hatt raley Contined Tree 10p.
3 Consultants 10p. 3
D. Cont T. Grp. \$1. 5
July Con. Station y 10p.
Nov. Cookson 50p. 3.3 2.315.7 2.4 2.6 20.8 3.9 1.3 (213) 3.2 2.0 22.7 991-200 31 11.35 11.66 F MyAuN. | Laur. | 10112 44 12.31 11.66 | July Jan Can Paculic \$5.... | 103 29 1 12.62 12.12 July Jan Do. 4pc Deb. £ 100 | 11.84 | 12.84 | 13.84 | 14.84 | 14.84 | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15.... | 15... | 15.... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 15... | 1 Brascanii Aug. April Heywood Wins, June Higgs & Hill ... Sept. Howard Shat 10p 1J 8 m nam 121 oc 1985. 1J Burnley 13pc 1987 June Cope Aliman 5p Oct Copydex 10p cb Cornell 5p Oct 1. D.C. 20p April 240 Cardiff Tipe 1986 . . 1549 G. L C. 13 apr 1984. May lbstock Johnsen Sept Jarvis (J.) L4 45 73ml 211₂ 28 July Cosali
Dec. Courtny Pope 20p
Oct. Cowan de Grt, 10p
Jan. Crean (J.)
Nov Crest Nichol 10p 15A Do. 63-00-90-92 . Oct. R'dmn H'man 10p | A Herts 6 4pc 1985-87 80 30 104 202± Sept. Wiennings 450 50 10|Leeds 131₂pc 2006 +Johnstones Pr. 10p. 10.67 Mr Jn Sp.Dc Hudson's Bay H.... Mr Je S D. Pimperial Okij... 5M Liverpool Tupe '80-84 Jan. July Crystalate Sp., April Oct. Dale Elect. 100 March-Sept Dewtorst 'A' 10p Lia.A.J.O. D. Blac Irred ... Lon Corp. 13 apc 83 July Crosby World 10p. S.K.F AB Sk50 £1312 Oct Saville G. (10p) 59 June Senior Eng'g 10p 24 Dec. Simon Eng'g 10p 398 Jan 600 Group 5812 Int Smith Whit. 5p. 19 May Spear & Jackson 96 10. Do 9140c 84-85 15J LCC 5120c 82-84 11J Do 5120c 85-87 July Dalgety £1 386
Dalastream 5p. 205
July Davies & N' worm 180
Aug De La Rue 605 July Dalgety £1 30% 511 \$150 — 2.6 Feb July Levech (Wm.) 20p 1512m 251 5200 — 70 June Dec Leyland Paint ... 22 Nov June Litter F. 10 1350 — 1350 F My Au.N. Pinti Nat Gas 51 Mr.Je.S D. Massey Ferg.II. 7.3 2.0 (50 i) Do 6-4 pc 98-90 M.Je.S.D. Royal Bk Can. SJ 1M.J 5.D | Do. 3pc '20 Aft. SeDeMrJu Seagram Co. CS1 32 4.9 92 YDa prei 53 COMMONWEALTH AND . 310 | 6.6 140 | 410 156 | 18 138 | 114 208 | 73 143-4 | 156 104 | --Mar. Spencer Clk. 20p. Tor. Dom Bk (i HACLEUPING & H June Spirax-Sarco . . AFRICAN LOANS J.Ap.Jy.O. STrans Can Pipe Sep. Magnet & Sthirs. . Apr. Stotlert & Pit fl. Oct Ti Group £1.... Sept. Tage 10p...... BANKS, H.P. & LEASING 16 948 11 55 900 sed 165 8 42 12 17 181 82 102 4 35 14.80 13 98 14 16 15 3 92 15 3 98 14 16 60 83 48 88 Oct | Marshalls (HI c) June Dunbill Hidgs.... Ass Tecalemic Oct. Telfos 20p ... Manden (John) Zip July Duple Int Do 32 ac 80-85 AMM Feb Aug May & Hassell ...
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Apr Nov Miller (Stan) 10p
May Nov Mod Engineers
July Sep Monk (A) Sept Tex. Abras 10p ay Physsen Dm10... Do. 4130c 87-92 Assid 66 13 0 13 12 1 75 19 4 — Oct Dyson (J. & J.) Nov Forward Tech... Aug Triple & Fidnes . Feb. U.o. Spring 100 C Funtsu Y50... Oct G. E.C 5p Public Board and Ind. Feb Newarthill £1. 595 Feb Non. Brick 50p 315 Oct Phoens Tunber 70 Jan Uta Wire Group Dec. Eastern Prod. 50p. &Godwin Warren * Ecobric Hides [] 17 4828.4 Jan. 32 14258 Apr Sept. &Do. Defd. £1 June Vickers £1 Aug Grosveror Gro. . Oct. Victor Products CHS Elea Camps 10p June Wach in 50p..... May MM ay Rame Inds. 10p 17 2134.9 Mar. Oct Wagon Industr? Nov. Walker (C.& W.). June Eison & Robotus. "The City knows all about 18 8 08 Dec Weeks Assoc 10p May Weir Group Oct Do. 10% Cov Pri | Henry Br. 574 No. | 170 | 170 | 170 | 170 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 160 | 16 April Eng China Clays 7
Sept & Equipu 10p
Dec Erskine House. Sept Weilman 32 79 51 Jan 51 56 42 Jan Essette AB K50 June Euro Ferries...... Sept Evode Grp...... Apr Willay
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Feb French Thos 10p 230
Nov. Friedland Oct ... 175 Oct Avana Group 5p 463 15.8 7.5 29 23 18.7 Aug Oct Banks (Sidney C) 225 d 15.8 7.5 4 8 6 May July Barker & D 1p... 104 — 58.9 July Barker & D 1p... 238 47 587 46 3.5 77 May Dec. Barrow Mili 20p. 38 254 07 145 14 2 29 34 Apr. Aug Bassert Foods ... 88 20.6 3 7.6 2.6 6.3 7.3 21.2 7.26 7.3 d4 2 Sept Gritetier A' N-Vig What was the name again?" In a recent City poll, 64% of a sample of pro-fessional investors knew little or nothing about one of the quoted companies listed, a \$200m-plus group with an excellent dividend record. In view of the immense daily flow of paper into a busy analyst's in-tray is it any wonder a good share occasionally gets overlooked or CHEMICALS, PLASTICS CHEVICALS, PLASTICS

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June Headlaw, Sics 5p. 40
Oct. Lambert Hth. 20p 145
Oct. Newbold & Burt's 60
May Pittard Grp...... 50
Nov. Strong & Fisher 41 **Purated Goldi relds** West Coast 25c. ₩Western Conc. 50c 294 180 22 Mani Westr. Minute 50c. Fre Ang Courte (T.) Sp.... Be. Aug Davis Godfrey... August Games (F.G.).... March Glanfield Lawr. Nov. Murray Glenderon .. WWhim Creek 20c. Strong & Fisher 41 24 #1.67 - # - | 127ml 158 3.5 1.5 3.9 (213) WYork Resources. Murray Western B., Nov. Hanger loss. 10o. egit S.A. SUS1. SOUTH AFRICANS Harrison (T.C.). Del Teraco 41% Cov. New Aus. Hav. Fit. 50p. Nov Ayer Hitam SMI. Airitartwell 7년 016c 그 6년 62 기년 0180c 2년 6년 62 기년 070c 2년 5년 73 Ded New Court 50p Sept. Abereper RO.30 67 73 0.26 340₂ 11.4 12.2 23 — — New Darken OH Tst. Mar Angio Am in R1 (181 2.1 5.6 (2.6) Jun. July Barton Rand R.10c. 71.5
2.1 8.5 (8.0) Mar Sept Order Store 4 50c 21.5
2.4 3.4 14.3 September Gold Flos. P. 24.c 187
2.1 6.5 (8.5) Jan. Aug. Messina R0.50. 360
Dec. July OK Bazaars 50c 51.4
1.5 - 1.5 Aug thre Throg (1983) inc. July Barlow Rand R.10c. 715 Sept Oction Store 4:50c 215 Do, Cap. £1 ____ Do. Wrrts. Joly James 12120. 343#5 85#4 Maytex Service..... New Takes hav, 50c September | Karnunting \$M0.50. | Nov | Tate of Leeds ... | 175 | 25 | 4.5 | 25.8 | 1.0 | 4.8 | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4.5 | ... | 4 June 1928 Invest June Malaysia Ming. 10c 111 055c 4.9 5.4 3.7 44 035c 1.7 4.7 12.5 9500125c 26 180103 156 030c 12 5.8 13.4 Dec Nth Atlantic Sec. ₩Pahang Dec. Nth Brit Canadian. North See Assets 500 ... Nov. Tiger Cats R1... £143, Nov. Unisec 20cis.... 306xt -June. Jan. Petaling SM1 ... Dec. Nihr. American ... Aug. Sungei Bes! \$M1 Rock 10s. Northern Secs Hande E Hotan 10p AUG OF & ASSOC IN ... Sept. Mar. Floridah H. To SML TEXTILES 235 24 - 05 Nov. Outwick lay..... **OVERSEAS TRADERS** NEWSPAPERS, PUBLISHERS recious Metals Tst... June Tronon SM1...... Mar JAnied Tendile ... RIT & Northern... Advican Lalors ... July Bormack (Thes) 10c May Ass. Sock P. 20p. Aug. Ations Bros. Do. Warrants..... Miscellaneous Dec. BPM Hidgs, 'A' 106 Oct. Bens Brothers ... 208 Oct. Black (A. & C.). 203 Sept. Brissol Post....... 285 July Boustend 10p ... Oct. Rights & Hs. Cap. Aug. Grosby House ... Jan. Finlay (James). Dec. Gill & Duffus ... Admiral Mines..... Mar River & Merc. Mar River Place Def. ... **♥Angla-Dominion** WAnglo Utd. Dev... Nov. Robeco (Br.) F150_ GL NUME ELO... WColby Res Corp. Nov. Do. Sun Sh's F15 Dec HYB'rs. Cros. CL Feb. Cons. Murch, 10c. Rollinco NV F150. Do. Sub. Sh's F15. Apr./Inchaspe £1 TTExplaura Gold... WHighwood Res... Aug Scapa Group... Oct. Llacks Wint. Oct Fleet Hidgs..... Nov. Gordon & Gotch Oct Haynes Pub 20p Homestale Maring SI May Mitchell Cotts... torthgate C\$1 _ Nov. Nesco invests... 80sr 1810 7
July Ocean Wisns. 20p 38 18.7 2.1
Dec. Par'son. Zoch. 10p 150 11.4 4
Hov. Sine Darby MS0.5 74 11.4 vol.
July Storel Bros....... 380 23.5 11
Juny Tozer Kerns. 20p. 29 30.4 Do. Cap.... 00.957 La Dala 95-2000 May Home Counties. **VSabina Inds CS1** 133 April St. Andrew Tst. ... July Scot. Am. Inv. 50p... For Southwest Res see Oil & Gas ara ExpenS1... 600 [-] - [-] --How Link House 20p
Apr Cpaci D. Pist 50p
Apr Miletal Suletin 10p
June News Int. Sp. Dis. VTara Egm S1... June Scot, Cities 'A' Oct. Scot, East. Inv.... ing Septish ing. Dec. Soot & Merc A.... Aug. Ingram (H.) 100... 300g May Jerome (Nkigs.)... 67 Dec. Scot. Mort. & Tst. **PLANTATIONS** Dec. Scot. National Oct. Stone (W.4) Hidy. 345 Jose Utri. Newspapers 265 June (Websters Grp. 5p 102 based on latest annual reports and accounts and, where possible, are undated on half-yearly figures. P/Es are calculated on met distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" 16.8 — 19.0 19.0 July Leeds Grp Uct Lowe (Robert H.) 31 July Lyles (5.) 20p ... 105 Dec Mackey Hugh ... 60 July Martin (A.) 20s 51 Dec Scot Northern Rubbers, Palm Oil Oct. Sec. Alliance Tst. 1.4 6.5 (M1) Mr. 2.6 3.914.4 Jan. May Am. Surgeons (S) 'A' | 104 | 64 | 213 | 14.25 | 109 | 9.2 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | PAPER, PRINTING **ADVERTISING** Shaders Far East SI_ Jely Assoc. Paper 95
Apr. Aut & Wiborg... 37 Apr. Nov. Cors. Plants MS0.5 June Dec TR Australia Trist...
F M A N TR City of London Tst... 71 +125 15 + 147 114 10.0 1.0 72 (8.9) - 64.5 24 1.7 31.4 +80 8 - 12.0 18 4.72 2.1 4.8 14.3 18 4.72 2.1 4.9 15.9 Grand Central 10p... Harrison My, Pl. MS1 Highs and Lows marked thus have been adjusted to allow for rights. June TR Ind. & General ... June TR Natural Resources ... Dec. TR North America ... Mar. TR Pacific Basin... issues for cash. May Highlands M50c ... Nov. Kuzla Kepong M51. Jan. Ldn. Sumatra 10p tends M50c_ interim tince increased or resumed. interim since reduced, passed or deferred. Tax-free to non-residents on application. For Scott Robertson see Industries Figures or report awaited.

The Not officially UK Listed; dealings permitted under Rule 163(4)(a).

TUSM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.

The Dealt in under Rule 163(3). Sept. Sekers Int. 10p. 20 |
July Star & Marvis 10p. 14 |
Aug. Star Carpets 10p. 32 |
Hay Stream Carpets 10p. 32 |
172 |
Oct. Small & Tichnas 60 |
Sept. Smalthaw R, 10p. 26 |
Smalthaw R, 10 Jone Maialoff MS1 Oct. Wildley Plants M\$1 c. Rightwise 10p Rose Exast Inc. 10p #5ampling Java 21₂p 14 32 172 60 26 52 20 15 Jan. Feb. 3.2 4.2 2.66 # Price at time of suspension.

Indicated divident after pending scrip and/or rights issue: cover relates to provious dividend or forecast.

Merger bid or reorganisation in progress. Do. Cap. £1 47 65 73 9.8 Aug. Throgmorton Oct. Spencer (Geo.). Oct. Tor. Invest. Inc. Oct. Do. Cao. 300 206 6.0 1.7 2.9 600 1810 22.0 2.8 5.2 285- 158 10.0 1.1 5.0 118 — 84% 32 10.2 305 288 1.0 — 0.5 245 21.3 12.5 1.6 7.3 August Assam Dooars Cl. Lawrie Plants Cl. Lawrie Plants Cl. Sept AcLeod Russel Cl. Oc. 8 April Pt. 1990-92 Nov. Storidard 'A'..... July Strood Riley Dr'd Nov. Summer (F.).... Oct. Sumbaam Wolsey Not comparable, Same inscrint: reduced final and/or reduced earnings indicated. May Trans. Oceanic..... Aug Tribune Invest..... Apr. Tribunest. Inc. 50p. Do. Capital £1.... Forecast dividend; other on earnings updated by latest interim Cover allows for conversion of shares not now ranking for dividend Aug. US Deb. Corp #Fitch & Co. 10p | 290 | 3,7 | 3,6 | 8,2 | 3,9 | 18,7 | 1.5 | 3,3 | 5,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,4 | 3,5 | 6,5 | 6,4 | 3,5 | 6,5 | 6,4 | 3,5 | 6,5 | 6,4 | 3,5 | 6,5 | 6,4 | 3,5 | 6,5 | 6,4 | 3,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 | 6,5 May Stonehili Hids... 65nd 15.8 2.0
May Suright Serv. 10s 168 9.5 4.39
Aug Streetiffe Speak. 31 179
Seeds Mat & \$150 ... £20 9.5 4.016 % or ranking only for restricted dividend. ne Nov. Viking Resources. March W. Cst. & Texas 10o. * Cover does not allow for shares which may also rank for dividend at 7. Smelifie Speak. 31 Smelifie Speak. 32 Smelifie Speak. 32 95wire A 60c... 1301₂ a future date. No P/E ratio usually provided. a luture date. No P/E ratio usually provided.

I No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. a Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on thirdend on full capital, e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. J Payment from capital sources, is Kenya. in interim higher than previous total. a Rights issue pending. g Earnings based on previous retaining figures. s Dividend and yield exclude a special payment. t indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Subject to local tax. x Dividend cover in eacets of 100 times, y Dividend and yield based on merger terms. x Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield intend on prospectus or other official estimates for 1983-84. E Assumed dividend and yield hased on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982-8. P Figures based on prospectus or other official estimates for 1982-8. P Figures based on prospectus or other official estimates for 1982-8. P Figures based on prospectus or other official estimates for 1982-8. P Figures based on prospectus or other official estimates for 1982-8. P Figures based on prospectus or other official estimates for 1982-8. P Figu Dec Wernyss Inv. E1 __ Mar. Winterbottom 5p. 1.0 1.4
1.6 2.9 Central
1.0 5.1 February Durban Deep R1...
1.0 4.0 Aug. Feb. East Rand Prp. R1...
Aug Feb. Randford'n Est. R2 Ass. Witzn lav Sept. Yeoman Inv..... Dec. Yorks. & Lancs__ June YoungCo's Inv.£1_ **TOBACCOS** Aug. Feb. West Rand R1.... Finance, Land, etc. Ang. Traisign: H. 200 176

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Auty Traisign: Comp 10p . 62 Price of the C'er Se's P/E Eastern Rand TRUSTS, FINANCE, LAND May Nov. Bracken 90c..... Abingworth 10p 312 - 11 Abwood 22p 1022 64 - 6% cz Aitken Hume 187m 158 3.63 WCens Mode tele Sc Investment Trusts 2 6% — 1.9 — Sept. Mar. East Daggs R1 15.8 3.63 • 2.8 • Aug. Feb Grootviel 25c 21.5 s15.0 5.0 6.3 4.5 May Nos Kinrots R1 Price Last No Car Grs Apr Fets Oct Atten Hume July Akroyd Smithers . 7 25 09 31 33 17 Nov - 15 015% 32 155 - 15 015% 95 14.4 158 1.85 Sept Alisa Inv..... hey All tance Inv. May Alliance Trust..... July Akilfund Inc...... | Apr. Co. Cap. Sect. All Lands Sect. Sect Advance invs. Sp., 19 1275 - 3.8 1.9 (MA)

Sept. Altrutt I ondon. 178 187 d6-2 2.1 5.0 14.0

Oct. Aper. Props. 10p. 96 21.2 2.0 \$ 3.0 \$ 0.0 C. Apuls. Sect. Sp., 34m 15.8 11.3 9.8 5.5 33.2 December Far West Rand Abbreviations: at ex divident; at ex strip issue; at ex rights; at ex all; at ex capital distribution. £1116 47 Q270c \$ 14.2 £42 206 Q590c \$ 8.3 320 4.7 Q10c \$ 1.8 £190, 47 Q200c \$ 6.0 £25 47 Q285c \$ 6.7 91646 158 Q15c 33 1.0 1.1 3.8 Mar. Sopt. Helefalus 95/200 522 1.3 1.3 4.9 (10.1 - 10.1 REGIONAL AND IRISH Feb. Driefontein R1 ec Elandsrand Sid. 20c **STOCKS** ♦ 7.0 ♦ Feb. Aug Elsburg R1..... The following is a selection of regional and Irish stocks, the latter being Aug Kloor Gold R1 ___ quoted in Irish currency. Aug Libarron R1 Aug Southward 50c Nat. 93,96 84/89... £861₂ Fin. 1394 97/02.... 947,48 Alliance Gas....... 90 Feb. Sulformein 50c ... Sept Vaul Reels 50c Attemy Jav. 20p.... 63 +1.
6dg wtr. Est. 50p... 270
Graig & Rose £1.... £1112 Aug. Western Areas RI | 124 | 17, 14.0 | 1.8, 4.6 | April | D. Corv. Pri. 59 | 17 | 23.0, 43 | 1.3, 3.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 12, 13.0 | 1.3, 13.0, 9.0, 7 | Tol. 13.0 | 1.3, 13.0, 9.0, 9 | Tol. 13.0 Sept. Western Deep R2 ... Concrete Procs. ... Helton (Hidgs.).... Irish Ropes Aug. Zandpan R1. 625 18 050c 10 4.7 6321₂ 95 16310c 43 5.6 617 213 0235c 6 8.1 506 9 75 — — Sept. Free State Dev. 50c Dec. F.S. Geduid 50c ... Nev. Harmony 50c 506 975 — — — OPTIONS

£38 95 10435c 18 5.9

£293 206 10425c 27 8.5

£105 21.5 1090c 13 5.0

991 95 1023c 10 7.3

£30 95 10480c 23 7.4

800 Gramman 22 "lapps" — 11 Westworth Hig. 30 Dec. Pres. Brand 50c ... Dec. Pres. Steyn 50c ... Feb St. Helena R1___ | Decician | Sept | Sep May. Uniselli Dec. Welkom 50c..... Dec. W. Holdings 50c... | Feb. | July | Breezanti Bd. | 10p | May | Sept. | Britanner 5p | 410st | 155 +18 55 | 2.0 5 +13.0 | Feb St | F.M.A.N. | Continerd Int. \$1 | 123 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 1 Finance Alex Corp SA \$2.50
July Ang. Am. Coal 50c...
July Angle Amer. 10c..
Oct. Ang. Am. Gold R1
Ang. Anglovard 50c...
July Charter Cors. 2p...
Dec. Corp. Gold Fleids.
May East Rand Cor. 10p Oct. Minoren \$BD1.40
Sept. New Wits 50c......
Oct. Rand London 15c.
July Rand Min, Propt. R1
Feb. Sentrust 10c.......
Jan. Twad.Cons.Ld.R1.
Apr. U.C. Invest R1......
Mar. Vogels 212c......... Diamond and Platinum May Angio-Am Imy 50c...
Out De Beers Df. 5c...
Aug. Do. 40oc Pf. R5..
Oct. Impala Plat. 20c...
May Lydenburg 121,c...
May Rus. Plat. 10c..... ## 158 054c 0 9 3 8 4 4
Recent issues and "Rights" Page 14
Rights and "Rights and "Rig

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EUROPEAN OPTIONS EXCHANGE

CURRENCIES; MONEY and CAPITAL MARKETS FOREIGN EXCHANGES Jumping at shadows BY COLIN MILLHAM Foreign exchange markets were jumping at shadows last confusion about the probable of the Federal Open news producing a gross over-reaction, sending the dollar up or down by about 2 pfennigs at a time against the D-mark. It is anyone's guess what will happen in September, when another MI money supply bulge is expected, and this seemed to be in the back of dealers minds last week, despite hopes that MI would soon be within the Federal Reserve's target range. There was a general state of confusion about the probable of the probable of the probable of the probable of the probable decision by the Federal state of confusion about the probable of the would almost certainly have been misinterpreted by the market. Reaction to the UK trade figures was rather strange. The figures was rather strange. It is expected, and this seemed to be in the back of dealers minds last week, despite hopes that MI would soon be within the result that whatever the Fed did it produced the wrong response from the figures was rather strange. The figures were regarded as disaptorised in the probable decision by the FOMC was to leave the pound has been on the side-lines with interest concentrated to the probable of the wrong response from the figures were regarded as disaptorised in the probable of the produced the wrong response from the figures were regarded as disaptorised in the produced the wrong response from the figures were regarded as disaptorised in the produced the wrong response from the figures were regarded as disaptorised in the produced that whatever the Fed did it produced the wrong response from the figures were regarded as disaptorised in the produced that whatever the Fed did it produced the wrong response from the figures were regarded as disaptorised in the produced the wrong response from the figures were regarded as disaptorised in the produced the wrong response from the figures were regarded as disaptorised in the produced the wrong response from the figures were regarded as disaptorised in the produced the wrong r badky exports of manufactured goods had fared in July however. This led to speculation that the authorities may be happy to see sterling lower against the currencies of Britain's Continental competitors, even if this means a fall against the dollar. Against this background the pound was sold more heavily on Thursday, although this trend seemed to peter out Federal Reserve's target range. Several weeks of encouraging draining of funds by the Fed the following day to produce the from the record levels touched earlier in August, but if September does produce some more large M1 numbers there is little reason to suppose that the curtiers of make and describers of make and described the dollar down, only for a described the dollar down the following day to produce the tightening. The U.S. authorities were probably only trying to be described to the dollar down the following day to produce the tightening of funds by the Fed the dollar down the following day to produce the tightening of funds by the Fed the dollar down, only for a described the dollar down, only for a described the dollar down. FORWARD F rency will not soon be nudging distortions of make up day, back towards the DM 2.73 level. while on Thursday insured that EMS EUROPEAN CURRENCY UNIT RATES BANK OF ENGLA Aug. 26 rates +0.03 +0.80 -1.05 +0.70 Danish Krone ... Germen D-Mark 8,14104 applications... 士1.0642 士1.4052 士1.4864 士1.6699 +1.47 -0.38 +0.88 -0.35 2.24184 2.27478 Total allocated.... 6,87456 6.84831 Franch Franc ... +0.21 2.52595 0.72569 Dutch Guilder 2,54812 accepted bid... £97.67 -1.02 -3.29 0.723165 Allotment at minimum level... Italian Lira Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times. **CURRENCY MOVEA** OTHER CURRENCIES England ndex Aug. 26 Note Rates Sterling...... U.S. dollar..... 28.00-28.30 80.70-81.50 14.37-14.61 12.01-12.13 11,34-11,054 Austria.... 1,1385-1,1335 Beiglum'... 668,0-67,10 Denmark Australia Dollar... 1.7020-1.7040 1.1385-1.1885 Brazil Cruzelro... 1.001,38-1,008,50 668.0-67.10 Finland Markka... 8.5610-8.5900 5.70005.7050 Greek Drachma... 136.72 137.17 91.20-91.50 Canadian dollar.. Austrian schilling. Belgian franc..... Danish kroner..... 5,984,4,0834 2350-2390 565-370 Deutsche mark, ... Swiss franc.,.... 4,474,51 Gulider.... 11.18.11,28 1801<u>4</u>.203 French franc...... 2174-2521 11.79-11.89 3,2414-3,2714 1,50-1,52 172-191 Based on trade weighted chai Washington agreement December of England Index (base · Seiling rates. THE DOLLAR S THE POUND SPOT AND FORWARD Aug 26 spread p.a. months apread One month 1.4940-1.5090 1.5010-1.5020 1.8400-1.8570 1.8470-1.8480 -0,20 0.13-0.18ds par-0.05c dia 1.1776-1.1855 0.32 0.10 pm-per 3.68 43-37 pm Canada Nothind-Belgium Селеде 1.2300-1.2310 4.45-4.50 4.48-4.49 1%-1%c pm Nethind. 2.9735-2,9890 2.9870 80.42-80.62 Belgium 53.35-53.61 63.59-1 Denmark 9.5725-9.6226 9.6125 0.30 8 pm-2 dis 79.85-80.60 7c pm-3 dis Belgium 14.441-14.461. Nore pm-7, dis 1.2735-1.2745 0.23-0.25p dis -0.21 2-3 pm -2.26 0.67-0.72ds 14.32-14.47 Denmark 1.2700-1.2800 2,6540-2,6725 2,6676 Ireland 4.49 41-4 pm 4.24 ---19.00 475-1186ds --17.97 ---19.53 1125-1386ds --22.00 1½-1½pf pm 155-430c dis 3.97-4.02 4.001-4.011 722.40-123.60 123.20 Portugal 183.00-186.00 184.50-185.00 150.65-151,20 Spain 318-425c dis 225.50-228.00 226,30-226.50 1,585-1,582 -7.53 45-49 dis -7.87 -3.28 81-91 dis -3.19 -3.73 141-161 dis -5.14 -1.90 42-51 dis -1.65 2.08 2.90-2.70 pm 3.03 4.00 31-25 pm 4.06 2.388-2.390 14-16lire dis 11.191-11.201-2 21-31-ore dis 2,370-2,394 7.4450-7.4600 7.4450-7.9850-8.0390 8.0226-Italy Norway 11.13-11.25 Norway France 12.047-12.051, 34-44c dis 11.804-11.814 11-24-ore dis 11.96-12.08 7.8500-7.8700 7.8550 11.74-11.86 243.90-248.15 245.85 Japan 1.05-0.85y pm 365-371 18.65-18.74 18.724 Austria 27.90-28.15 28.06-28,11 102-8gro pm Austria Switz, 2.1570-2.1760 2.1710 5.06 47-37 pm 13-13c pm † UK and Ireland are quot

Ы	e hopes that e within target ran	the easing use. the d	of interest ollar down,	rates pushe only for	a annou	corded aft acement.	er Wednesd	ay's this t again	rend seen on Frida		eter out	Previous day's oper		
s t	of encoura he dollar d	ging drainit lown the fol	lowing day t	by the Fe		······································						20-YEAR 12 PER CE £50,000 33nds of 100	per cent	AL GILT
	levels toucht, but if uce some not there is less that the con be nuclearly DM 2.73 levels	Septighter nore were ittle keep to cur- Wedne ging distorti	ring. The U probably or he market s sday chose ions of ma	i fears of Fe S. authorities ily trying to teady, but o to sit out the ike up day insured the	Doller Doller Doller French Swize	Franc	Spot 1.5015 4.0075 12.06 3.28	2 AGAIN 1 month 1.5018 3.9936 12.09 3.2400 368.56	3 month 6 1.5031 1. 3.9655 3. 12.2050 13 3.2196 3.	.5050 .9260 2.43	2 month 1.5075 3.8575 12.76 3.10 357.30	Class H Sept 102-05 102 Dec 104-03 104- Mar 103-23 103- June 103-09 Sapt 102-27 Volume 2,000 (1,810) Previous day's open Basis quote (class per cent Treasury 19	14 104-00 27 103-22 int. 4.746 (cash price	102-16 104-14 104-02 103-20 103-08 (4.859) of 16-2
) }	EAN CUF	RENCY	JNIT RAT	ES	BAN	K OF E	NGLAND	TREASU	JRY BIL	L TEN	IDER	price of near future 08 (32nds).	s contract)	par to
G	ECU amo entral again:	rancy % clusters from st ECU centre care care care care care care care ca	n % chang	for Divergence			Aug. 26 Aug .	19		Aug. 26	Aug.19	WEEKLY CH	ANGE	IN WC
4826201	4.9008 45 3.14104 8.1 2.4184 2.1 3.87456 6.1 2.52595 2.1 3.72569 0.1 403.49 13	7,7459 +1.19787 +0.19787 +0.19787 +0.19787 +0.197878 +1.49831 -0.197878 +0.1	68 +1.21 70 +0.03 47 +0.80 58 -1.05 68 +0.21 65 -1.02 75 -3.29	士1.5447 士1.6425 士1.0642 士1.4052 士1.4864 士1.6699 士4.1505	Total of applic Total al Minimur accept Allotmer	ationa	E100m £100 E485.42m £328.0 100m £100 E97.67 £97.	rate of Average Average Amount at next	discount 9 yleid	9,5456% 9,5586% 9,56% £100m	9.3456% 9.3291% 9,55% £100m	LONDON Base rates 7 day interbank 8 mth interbank Treasury Bill Tender Band 1 Bills	91g 9 18 97g	change Unch'd + 15 + 27 + 0.0085 Unch'd
m	ency. Adjusting	ent calculated	by Financial Ti	mės.	CURF	RENCYM	OVEMEN'	rs curi		RATES	European	Band 2 Bills Band 3 Bills 3 Mth. Treasury Sills 1 Mth. Bank Bills	919	Unch'd Unch'd
				£		ug. 36 I	Sank of Morg England Guara Index Chang	nty	26 Tate 2	Drawing Rights	Currency	3 Mth. Bank Bills TOXYO One month Bills	95g 6,71875	Unch'd
70 00 56 6.	20-1,7040 1 1,88-1,008,60 1 10-8,5900 5	.70005.7050 F 1.20-91.50 C 7.45-7.46 F	Lustria	80.70.81.50 14.37.14.61 12.01.12.13 5.983, 4.023, 2350-2390	U.S. doll Canadial Austrian Belgian i Danish k Deutsche	tr	34.8 -35 128.8 +15 92.9 -16 117.1 +29 91.2 -5.3 79.7 -13 126.8 +54 150.6 +109	.9 Canadis 6 Austria 4 Belgian 5 Danish 3 D mark 6 Guilder	812 1 108 9,87 8ch 534 2 F 9 5 Kr 712 1 4 12 3	1.05188 19.6333 56.1862 10.0707 2.79590	0.569122 0.855504 1.05278 15.9680 45.7459 0.19787 2.27478 3.54812 6.84831	Three month Bills BRUSSELS One month Three month AMSTERDAM One month Three month	6,71875 8,6875 9,0625 5/3	Unch'd -0.9375 Unch'd The book of the control of
13 0.4 10 10 10 10 10 10	70-0.4880 0.	2915-0.29205 N 13.59-58.61 N 1485-2.8515 P 1535-1.5360 S 1790 3.4810 S 1270 2.1400 S 1240 1.1245 U	letherlandslorway lorway	4,474,51 11.18-11,28 180½-203 217¼-252¼ 11.79-11,89 3,24¼-3,27¼ 1,50-1,52	Gullder French 1 Li-a Yen Based on Washingt Bank of	ranc	115.5 +25.68.0 -24.50.4 -59.145.9 +88.0 ted changes for December 15.0 (base even	O Lira 5 Yen 9 Norwen 0 Spanish Swedish rom Swiss Fi 071. Greek D	17 1 512 2 7 7 1 1 1 1 1 1 1 1	1668.64 266.974 7.83335 158.476 9.26462 1.27185 96.2996	1357,26 209,085 6,37094 136,924 6,72169 1,84857 78,2786	London—band 1 bills band 3 bills 34 to 6 selling rates with the rates in the domest week. Band 4 bills 3	days. Ret money ma c money s	tes quotec irket. In o market an
					1975-100 THE		AR SPOT		R rate for AL		968T	Divorce		
Ε	SPOT	AND FO		iree %		Day's	·		%	Three	- %	reform I		
90	1.8470-1.848 4.48-4.49 80.42-80.62 14.443-14.46 1.2735-1.274 4.001-4.011-184.50-185.0 228.30-228.5 2.388-2.390 11.191-11.20 12.041-12.05 11.801-11.81 369-370 28.06-28.11 3.251-3.261-3	0.10c pm-ps 1½-1½c pm 7c pm-3 dis 5½ ½cre pm-7, c 6 0.23-0.25p di 1½-1½pf pm 0 155-430c dis 14-16lire dis 14-16lire dis 1½-3½-3½cre dis 1½-1½c dis 1½-8gro pm 1½-1½c pm	P.a. m -0,20 0.1 0,32 0.7 3.68 43 0,30 8 p -0,21 2-3 -1,26 0.6 4.49 47 -19,53 112 -7,53 45 -3,28 52 -3,73 149 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47 -1,90 47	onths p.a. 3-0.18ds -0.41 0 pm-par 0.11 -3's pm 3.66 m-2 dis 0.16 s pm 0.36 7-0.72ds -2.16 -4 pm 4.26 5-1186ds -17.97 5-1386ds -22.00 49 dis -3.19 -9's dis -3.19 -16's dis -5.14 -5's dis -1.66 0-2.70 pm 3.03 26 pm 5.06	Irelandi Canada Nothind. Belgium Denmark W. Ger. Portugei Spain Italy Norway Frence Sweden Japen Austria Switz. † UK	end Ireland	5 1.1810-1.1820 0 1.2305-1,2310 0 2.9870-2.989 63.59-53.61 5 9.6125-9.6225 5 2.6676-2.6684 0 123.20-123.50 0 151.00-151.20 1,590 ¹ -1,591 0 7.4450-7.4500 0 8.0226-8.0275 0 7.8550-7.8600 5 245.85-246.05 18.72 ¹ -18.73 0 2.1710-2.172 0 ere quoted in	0 0.35-0.33c 0.06-0.03c 0 0.06-0.03c 0 1.05-0.95c 3½-2c pm 5 0.30ore pm 5 1.05-1.00pf 0 100-275c di 175-226c di 10-10½(Ire di 1.90-2.20ore 2.40-2.70c di 0.72-0.62y 7.70-6.90gr 0.99-0.94c U.S. currenc)	fis -0.20 pm 3.51 pm 0.44 pm 4.03 0.52 -0.20ds 0.06 pm 4.60 e -18.24 s -15.88 dis -7.73 e dis -3.30 dis -3.81 e dis -1.68 pm 4.68 pm 4.68 pm 5.34 y. Forward	0.13-0.18(1.00-0.90 0.18-0.16 3.06-2.95 9-7 pm 2.90-2.40 3.08-3.03 300-780di 650-750di 30-31 dia 6.15-5.45(10-104, dia 2.50-2.70(2.10-2.00 23.30-20.3 2.96-2.91 premiums	pm 3.22 pm 0.54 pm 4.03 0.60 pm 1.11 pm 4.57 a -17.19 a -18.53 -7.67 dis -2.85 a -5.16 dis -1.32 pm 3.33 lopm 4.66 pm 5.42 and	could me bade in proceedings were state money use marriage guidant ation rather conflict. This claim is main the latest ed Justice Quarterly. The report's a Jean Graham I Dougls Martin, a of the Lord Department, are	f new dintroduced initialities and contain justion of the contain of the container of the c	ivorce ed and y for oncidi- idicial study Civil Judge i Mr fficial ellor's
s ve	for convertbi	le francs. Fine 2-0-37c die. 12	ncial franc 60. I-month 0.55-0.	.90-81.00. 65c dis.	Bel	glen rate is	to the U.S. do	ner end not to france. Find	encial franc	53.87-53.5	97.	order to imp towards conciliat aid should not	ion full	
	CROSS (RATES										"until there is cle which can not be the parties then	e resolve	spute ed by
	Pound St'rlin	~		ЈаралезеYen			<u>-</u>					reasonable media	tion."	
	0.666	1.502	4,008 2,669	369.5 246.1	12,05 8,025	3.860 2.171	4,485 2,987	2389. 1591.	1,848 1,230	- 53	59			_
	0,250 2,706	0.375 4.064	10.85	92,20 1000,	5.007 32,61	0.813 8,893	1.119 12.14	596.1 6464.	0.461 5.000		7.6			
	0,830 0,307	1,246 0,461	5,326 1,229	306,6 113,3	10. 3,696	2.705 1.	3.722 1,376	1993. 752.8	1.523 0,567		.78 .68	·		
	0.825 0,419	0,335 0,529	0.894 1.677	82.59 154.7	2.687 5,044	0.727 1,865	1,877	532,7 1000,	0.412 0.773		.94 .68		<u>م.</u> ۵	
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FINANCIAL FUTURES In the table below the London International Financial Futures Exchange prices are for August 26. Chicago prices were not available for this edition. LONDON THREE-MONTH EURODOLLAR Im points of 100 per cent 89.89 89.38 89.11 88.89 STERLING £25,000 5 per £ Previous day's open int. Volume 219 (630) Previous day's open Int. 1.448 (1,826) £250,000 points of 100 per cent DEUTSCHE MARKS DM 125,000 \$ per DM Sept 0.3752 (Dec 0.3795 (Mar 0.3834 Vokume 15 (87) Previous day's open Int. 495. (501) SWISS FRANCS SwFr 125,000 \$ per SwFr -YEAR 12 PER CENT NOTIONAL GIL Close High Low Prev 0.4609 0.4640 0.4609 0.4669 0.4676 0.4705 0.4676 0.4733 Close High Low Prev Sept 102-06 102-14 101-30 102-16 Dec 104-03 104-14 104-00 104-14 Var 103-23 103-27 103-22 104-02 June 103-09 — 103-20 June 102-27 — 103-08 Juliuma 2,000 (1,810) Previous day's open int. 4,746 (4,859) Previous day's open int. 4,7 102-14 101-30 102-16 Mar 104-14 104-00 104-14 Votume 22 (1) 103-27 103-22 104-02 Previous day's Volume 22 (20) WEEKLY CHANGE IN WORLD INTEREST RATES Aug. 26 change se rates Unch'd Prime rates Unch' c day interbank 918 mth interbank 978 reasury Bill Tender 9,3366 Federal funds + 5.00% 6 Mth. Treasury Bills 9.26 -0.03 -0.02 -0.10 and 1 Bills and 2 Bills and 3 Bills Unch'd 3 Mth. CD FRANKFURT Unch'd +0.075 Mth. Treasury Sills 912 Mth. Bank Bills 918 Mth. Bank Bills 918 -omberd One Mth. Interbank 5.425 Three month +0,10 Intervention Rate 12.25 One Mth. Interbank 12.3125 re month Bills Unch'd 6.71875 Unch'd Three month rae month Bills -0.0826USSELS -0.9375 One month 8,6875 9,0625 o month ree month Unch 'd Three month Unch' d ISTERDAM e month One month Three month ndon—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and and 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or thing rates with the money market, in other centres rates are generally deposit the in the domestic money market and their respective changes during the sek. Band 4 bills 9. Divorce rules More use Orkney ferry reform urged AVINGS of up to £20m a year The new roll-on/roll-off ferry ald me bade if new divorce service in Scapa Flow, Orkney,

roceedings were introduced and has carried more than 7,000 ate money used initially for passengers in its first 12 weeks arriage guidance and concili- of operation. During the same period the ship "Lyrawa Bay" carried 964 cars and 466 the latest edition of Civil vehicles. The service is operated by The report's authors, Judge the Orkney Islands Shipping can Graham Hall and Mr Company, of Kirkwall, to link three islands. three islands. £15m hotel opened GLASGOW'S LARGEST hotel,

the 320-bed £15m Skean Dhu,

was opened yesterday by Mr

George Younger, the Scottish

Secretary.

GOLD P GOLD P GOLD P F.50 6 15 10 F.50 87 F.70 43 7. F.80 357 2. F.80 10 0. F.65 15 F.70 28 F.140 20 F.150 47 F.160 78 F.170 52 2.5 F.180 27 F.180 280 F.150 65 F.160 42 F.65 764 G.80 F.32.50 20 G.10 F.32.50 20 G.10 F.150 3 81.50 F.150 53 F.150 53 F.150 53 F.150 249 F.150 249 F.150 273 F.110 3 F.120 10 F.150 21 F.150 21 F.150 21 F.150 21 F.150 21 F.150 21 F.150 25 AKZO P AKZO P AKZO P AKZO P 25.50 16 A 10 5,60 F.140 F.150 F.190 F.200 F.220 F.240 F.200 - F.214 16 11 42 6.50 4.80 6.50 UNIL D 30 **3.50** 17 F.105 100 1.40 F.107.50 350 0.50 F.110 101 0.80 68 | 3,40 45 | 1,40 3 | 0,50 A 400 | 0,50 8 | 1,50 F.100 F.102.50 F.105 F.100 F.109.50 8 | 1.50B F.295 F.300 F.305 F.310 25 140 IF.300,70 53 118 5,50 _ 100 2.50 · — 2,20 TOTAL VOLUME IN CONTRACTS: 11,781 **A**≔**Asked** P=Put

Oesterreichlsche Kontrollbank Aktiengeselischaft US\$100,000,000 Guaranteed Floating Rate Deposit Notes 1987 Guaranteed by the Republic of Austria Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the Interest Period commencing on August 31, 1983 the Notes will carry an interest rate of 911/16% per annum. On November 30, 1983 interest of US\$12,401.91 will be due per US\$500,000 Note against Coupon No. 7.

Agent Bank

ORION ROYAL BANK LIMITED

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- -- -

MONEY MARKETS

EXCHANGE CROSS RATES

0.541 1,243

Aug. 25

Pound Sterling

Deutschmark

Franch Franc 10 wise Franc

Dutch Guilder Italian Lira 1,000

Canadian Dollar Beiglan Franc 100

Japanese Yen 1,000

U.S. Dollar

Succumbing to the weather

Beigian rats is for convertbile francs. Finencial franc 80.90-81.00. Six-month forward dollar 0.32-0.37c die. 12-month 0.55-0.65c dis.

succumbed to the hot changing interest rates. gave up all pretence of any seemed to be based on the holiday weekend came to relieve the boredom.

The week began with sterling interest rates falling, encouraged by lower Eurodollar rates following the fall in U.S. M1 money supply announced on the previous Friday. Adequate dayto-day credit in London on Monday also helped to reduce rates, and during the rest of the week conditions were comfortable enough, while sterling rates responded only to any changes in Eurodollars. There was a suggestion at one

time that the Federal Open Market Committee might have eased its credit policies, and at about the same time that the Bundesbank council was about to do the opposite. The rumour about the German central bank per cent, had more of a ring of truth about it, since German money supply growth has been giving rise to some concern recently. but any rice in German rates by the rest of Europe, and with a lower German July trade surplus underlining the fragility economic recovery, the

The City seemed to have time was not appropriate for a few weeks ago that the market

humid weather last week, and . Talk of easier Fed policy tighten interest rates. On the following day the active trading long before the Federal funds rate touching 84 markets became equally excited per cent without any reaction when the Fed drained reserves from the authorities. But this to prevent Fed funds dropping and futures trading, with diswas on Wednesday, when the below 9 per cent again. In appointing UK trade figures New York market is often dissome quarters this was inter-having little impact, apart from torted by weekly make-up day preted as a sign of tightening, once again on the foreign for the banks, and it was only but the confusion was generally exchanges.

expected this FOMC meeting to changes, where the market spent most of the week chasing its own tail.

London's inertia included gilt

LONDON MONEY RATES

Aug. 26 1985	Sterling Certificate of deposit	Interbank		Local Auth- negotlable bonds	Finance House Deposits	Company	Discount Market Deposits		Eligible Bank Blis &	Fine Trade Bills &
days notice. days notice. days notice. days notice. ne months Three months ix months ix months one year wo year	914.975 934.956 934.954 934.975 1016.1014	9-10 958-934 958-934 914-915 914-915 1015-1014 1016-1058	954-978 912 959 959 959 10 10 10 10 10 11	1014-978 1014-978 1014-978 10-958 10-958 1058-1014	934 912 912 1014 1012 1050	91g-10 93g-10 93g 10 	6-954 		813 873 877 877 1 - 673	10 & 10 ls

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11½ per cent; five years 11½ per cent. © Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills \$100 per cent; four months trade bills 100 per Approximate selling rate for one month Treasury bills 9th per cent; two months 9th 9th per cent and three months 9th 9th per cent. Approximate selling rate for one month bank bills 9th per cent; two months 9th per cent and three months 9th per cent; two months 9th per cent and three months 9th per cent. Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from August 1, 1983. London and Scottish Clearing Bank Rates for landing 9th per cent. London Deposit Rates for sums at seven days' notice Treasury Bills: Average tender rates of discount 9.3291 per cent. Certificates of Tex Deposit (Series 6). Deposite of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 10½ per cent; aix-12 months 10½ per cent. Under £100,000 9½ per cent from July 20. Deposits held under Series 4-5 9½ per cent. The rates for all deposits withdrawn for cash 8 per cent.

PLACE AND LOCAL UNIT	& STERLING	PLACE AND LOCAL UNIT	& STERLING	PLACE AND LOCAL UNIT	VALUE OF & STERLING
Afghanistan Afghani	99.00	Greenland Danish Kroner Grenada E. Caribbean \$	14.4525	ParaSol	Jexe(A)2,888,03
Algeria Dinar	(A) 7.3235	Guadaloupe Local Franc	4.05 12.05	PhilippinesPhilippine Peso	16.25
Andorra Spanish Pes	c 12.05	guam U.S. 1	1.5015	Pitcairn Islands & Sterling New Zealand \$	2,3070
Angola Yungara	226,40 (OM) 48,684	Guatemala Quetzal	1.5016	Spined State	
Angola Kwanza Antigua E. Cari bbean	4.05	Guinea Syll	35.20 ·	PolandZioty	145,69
		Guinaa-Bissau Paso	62.75	PortugalPortugu'se Escudo	184.75
Argentina New Peso	16.57	диуала Guyanese \$	4,4925	Puerto Rico	1.5015
Australia Australian	1.7030	Haiti Gourde	7,5075	Qatar	5.4470
Austria Schilling Azores Portugu'se Esc	29,085 200 184,75	Honduras Lampira	3.019	Reunion IslandFrench Franc	1 12.05
LEAN CONTRACTOR IN LOS LOS TON	304.10	Hong Kong H.K.	11,155	RomaniaLeu	((Cm;6.98
BahamasBa. Dollar	1.5015	Hungary Forint	67.51m		((N/C)19.52
Bahrain Dinar	0.564		45.544	RwandaRwanda Franc	137,26
Balearic Isles Sps. Pesats	226,40	iceland	42.546 15.35		
Bangladesh Taka Barbados Barbados \$	36,15 3,005	Indonesia Rupiah	1.478.0	St Christopher E. Caribbaan &	4 4,05
	(om) 80.47	[ran Rizi	132,50(39)	1 St. MelenaSt. Malana &	1.0
Belgium 5. Franc	(fn) 80.95	Iraq ragi Dinar	0.4720	St. Lucia	4,05
Bellize	3.003	irish Republic irish &	1,2740	St. PierreLocal Franc St. VincentE. Caribbean \$	12.05
Benin C.F.A. Franc Bermuda Ed 1 \$	602.5	taly Shakel	87.0 2,389.0	1 Salvador ElColon	4.05
Bhutan Irdian Rupse	1,5015 15,35	Ivory Coast C.F.A. Franc	602,5	I bamca AmericanU.S. E	1,5015
Bolivia Bolivian Peso			((C)2.68	San Marino	2,389.0
	(F)(A)297.50	Jamaica Jamaica Poliar	(F)3.99	Sac Tome & PrinDobra Saudi ArabiaSaudi Ryal	59.10
Botswana	1.6476	Japan Yen	369,6	SenegalC.F.A. Franc	5.21126
Brazil Cruzelro ## Brit. Virgin isles U.S. \$	1,003.90	Jordan Jordanian Dinar	0,555	Seychelles	602,5 10,25(eg)
Brunel Brunel \$	5.20	Kampuchea Riel	1,801.8	2 2) OTTA LOONSLeons	(Cm)9.20
Buigaria Lev	1,4994	Kenya Kenya Shilling	20,07	Singapore	3.20
Burma Kyat	12.2356	Kiribati Australian #	1.7080	Solomon lelands Solomon is. 5 Somali Republic Somali Shilling	1.7840
Burundi Burundi Franc	133.06	Korea (Nth) Won Korea (Sth) Won	1.53(II) 1,179,30	South AfricaRand	23.50 1.6880
Cameroon O.F.A. France	602.5	Kuwait Kuwaiti Dinar	0,4378	SpainPeseta	226.40
Canada Canadian S	1.8478	Lada Nava MI-	1 150.5		
Brary Islands SpanishPasata	226.40	Labanon New Kip	15.016 7.2765	Spanish ports in	
Japo Verde Is Capo V. Esquidi	109.36	Lesotho	1.6880	North Africa Pageta	226,40
Cayman Islands Cay. 1s. 3 Cent. Afr. Republic C.F.A. Franc	1,25126 602,5	Liberia Liberian #	1,5015	Sri Lanka	36.80
had С.F.A. Fraло	602.5	Libya Libyan Dinar	0,4445	Sudan Republio Sudan & (u) Surinam	1.9755
hile Chilean Pesc	119.96	Luxembourg Swiss Franc	5.26 80,47	Mezilaug "Mesilau Paudeu	2.6875 1.668 0
hins Renminbi Yuan				Lawaden	11.8125
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ermany (West) Deutsche Mark hana Cedi		Pankma Balboa	1.5015	I PACSIGNIE PROMINING A DIRECTOR	153,3673
brafar Gibraitar £	4.19	Papua N. Guinea Kina	·1,3030 ((O) 129,85	Zaire Republic Zaire	9.0784

WORLD VALUE OF THE POUND

The table below gives the latest except where they are shown to evailable rate of exchange for the pound against various currencies on August 26 1983. In some cases rate of foreign currencies to which they are shown to direct quotation available; (F) free (fn) financial rate; (exC) exchange and going sterling-dollar rates; (T) rate; (In) financial rate; (exC) exchange and going sterling-dollar rates; (T) rate; (In) financial rate; (In) financial rate; (In) financial rate; (exC) exchange and going sterling-dollar rates; (T) rate; (In) financial rate; (exC) exchange and going sterling-dollar rates; (In) rate; (In) financial rate; (In

The Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of MF. (I) Based on gross rates against Russian rouble. (1) Easential goods. (2) Preferential rate for priority imports such as foodstuffs. (3) Non-assential imports and private sector applicants. (4) Preferential rate for public sector debt and assential imports. (5) Government imports. (6) Government imports. (7) Parallel rate. controlled for con-essential imports. (6) Free rate for luxury imports, remittences of money shroad and foreign travel. (7) Parallel rate.

		-	-	
INTEREST	RATES			
EURO-CURREN	ICY INTER	EST	RAT	ES

Aug. 26	Short term	7 days notice	Month	Three Months	. Six ! Months	. One Year
Sterling	912.934	95g 934	95g.94	954.978	j 201 ₀ 1014	1038-101
U.S. Dollar	936.958	91g.934	95g 97g	10%.10%	10% 10%	10a 107
Can. Dollar	5 634	B4.812	BH . 9 4	816.678	93.10	104-107
D. Gulider	54.6	54.6	578.5	64-64	679.612	558 634
S. Franc	14.2	7.714	419.468	458-454	415-515	478-5
Deutschm'rk	413-516	5 510	5 to 6 th	04.53	518.515	64-648
Frinch Franc	12-121	12 de 125e	131g 133g	16-154	1612 1654	164 167
Hallan Lira Belg. Franc	1512-1614	1512-17	17.1712	17%-1618	1864-1918	1999 501
Conv	B12-10	81g-91g	Blg.9	914.954	94.104	10.101
Fin	94.10	87g-91g	86g-87g	984	912 934	978 101
Yep	65g.654	61g 66g	51g-56g	654 634	656.654	611-613
D. Krone	1176.1238	816-818	934.1014	9.5g .07g	97g-105e	102.11
Asia 5 (Sing.)	91g-96g	9 8 9 6	934-976	10点 10法	104-1050	1011-101

FT LONDON INTERBANK FIXING 1,03 a.m. AU3U3F25)

3 month U.S. dollars	6 month U.S. dollars		
Hd 101/18 - offer 103/16	bld 107/18	offer 10 %/16	

reference banks at 11 am each working day. The banks are National Westminater Overnight rate 11-21-Bank, Bank of Tokyo, Deutsche Bank, Banque Nationals de Paris and Morgan

MONEY RATES NEW YORK

GERMANY FRANCE intervention, rate

JAPAN Discount rate Call (unconditional) 6.46875 Bill discount (3-month) 6.71975 **SWITZERLAND**

One month 4's 4's

One month 81121-9124 One year 923-103-ECU LINKED DEPOSITS One month 87 guy Three months 914 -971 Six months 91-10 One yeer 1014 -107

NETHERLANDS

Three months

Overnight rate

LONG TERM EURO \$

SDR LINKED DEPOSITS

\$ CERTIFICATES OF DEPOSIT

Three months 9.80-9.90 Six months 10.20-10.30

Three years 12-124 Four years 1214-1212 Five years 123-121

West Germany Banking, Finance and Investment

The Federal Republic's financial markets responded to the recent change in government with some remarkable gains in most sectors. Lately, however, more sober assessments of the country's economic prospects have prevailed. There remain fundamental weaknesses in the system as a whole—such as the inadequacy of equity capital supply—which continue to limit its economic contribution.

Post-election glow begins to cool

BY STEWART FLEMING IN FRANKFURT

A few months ago the pros-

pects for the financial markets

looked much rosier in the eyes

elected leader have been

blessed with the sort of welcome

which West Germany's new

Chancellor received. Share

prices surged by 26: per cent

from their August lows in the

months leading up to the March

general election which con-

firmed Parliament's decision in

September 1982 to transfer

power to the new coalition. By

May and June of this year some

indices had broken through into

their all-time highs; gains were

around 50 per cent from their

On the bond market 100,

spurred on by apxious moves

and breathe some life into a

flagging domestic economy.

August lows.

Rarely can a democratically

of many participants.

WEST GERMANY'S financial slace March to almost 84 per markets have been anxiously re- cent, assessing the longer-term economic prospects for the Federal Republic during the past three months as the initial wave of euphoria which greeted Dr Helmut Kohl's Right-of-Centre government waned.

Easy assumptions that the

Bundesbank's success in curbing inflation and eliminating a huge current account deficit would quickly be translated into a strengthening of the D-mark on the foreign exchanges and greater freedom to follow domestically orientated economic policies have had to be discarded. This month the D-mark slumped to a nine-year low of DM 2.74 against the U.S. dollar. helping to prompt co-ordinated intervention on the foreign exchanges by the world's central banks led by the Germans and the Swiss.

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There has been mounting evi- prices surged before the March dence, too, that Dr Rohl's election. Bond yields, which

giant AEG-Telefunken had to turn to the courts for protection from its creditors.

> It would of course be an over-simplification to suggest Gross National Product in 1970 that the change of government to 51.5 per cent in 1982. was the only explanation for the spreading optimism. But after Herr Gerhard Stoltenberg pre- 3m. 13 years during which West sented the Cabinet's plans for Germany had been ruled by a the 1984. Budget earlier this modest growth is much better nightmare period for large seg-Centre/Left coalition, a period which saw government's share creases in nominal expenditure especially since it is being which had not reckoned with a of national income rising to 2 per cent, to keep the accompanied up to now by sharp rise in interest rates and steadily as the share of corporate profits sank, the signifi- around the DM 40m level and in corporate profits and a gathering international debt cance of the shift in Bonn should not be underestimated were welcomed. More recently, pressures, both of which can banks have been relatively less either. West German business however, some economists—the be traced back in part to the exposed in Latin America than men who had watched with admiration as Mrs Margaret Thatcher had re-ordered Britain's political priorities and with horror at France's experiment in Socialism had no doubts where their sympathies

The financial markets in Germany had decided long before the collapse of Mr Helmut Schmidt's government in September of last year that it was paralysed by internal dissension and exhausted after its long years in office. Thus even by the Bundesbank to ease though it had taken steps to monetary policy more quickly curb the structural budget deficit, the moves were judged in financial circles to be lacking in conviction.

interest sector, signalled the per cent at the beginning of both sufficient cohesion and man interest rates. Long-term roller coaster ride then were through, Those policies, morebond yields have risen on showing big gains by March over, were broadly speaking, strong evidence which would this year with a relaxation of average a full percentage point 1983 as the yield level headed—what the financial community suggest. East wither captally greatesty policy which took its

munity a year ago as the elec- cyclically but through a long-They include steps to curb government spending, which of GNP in 1983 and a 2 per had risen from 40 per cent of

been expressing fears that budget policy could be too the economic-recovery.

and rising consumer spending, years to import an ever higher particularly on cars.

There are still doubts, how- factured products. By contrast, in the field of 'ever, about how sustainable. It was the encouraging

had been calling for. They investment or export sales will key Lombard lending rate—the include measures aimed at give the economy a shot in the rate it charges for secured boosting the share of profits arm strong enough to offset the overnight loans to the banksthe business com- in national income, not just stagnation of consumer from the crisis peak of 12 per incomes or the drag of budget cent in 1981 to the 5 per cent term redistribution of income consolidation measures. Many level set at a controversial back to the corporate sector. economists would be pleased to meeting of its council in see a 1 per cent real growth March. cent rise in 1984-figures rates was nowhere more which would not, however, halt enthusiastically welcomed than

> the year is expected to show expected to remain well in the and the first half of 1983. modest plus in real terms, black in 1983 despite worrying backed by the strong upturn signs that the Federal Repubin the construction sector, par- lic may not have curbed its ticularly the housing market, growing propensity in recent perceptage of finished manu-

tion, far from ushering in a had hit 114 per cent in mid- economic policy the new centre- the upswing will be, for it has trends in inflation and the curnew bull market in the fixed- 1981, were just under 10 right coalition was seen to have been accompanied by a cut in rent account in 1982 which the savings ratio which is not allowed the Bundesbank scope cyclical low point for West Ger- 1982. Investors who caught the energy to force its policies expected to continue and has to press ahead consistently not been accompanied by from October 1981 until March

This rapid fall in interest the upward drift of unemploy- in the boardrooms of West Ger-So when Finance Minister ment to seasonal peaks of over many's hard-pressed banking industry. The period between For the financial markets late 1979 and early 1981 was a year, proposals to limit in- than no growth at all, however, ments of a banking industry Federal borrowing requirement evidence of a healthier trend certainly not anticipated the to trim back transfer payments marked cooling of inflationary crises. While the West German 16 Ifo economics institute in low (3 per cent) wage round their U.S. competitors the Munich, for example - have at the beginning of this year, sovereign risk lending crises. The Bundesbank's rigorous coupled with a protracted efforts in 1981 to curb infla- domestic corporate bankruptcy 3 restrictive in 1984 and cramp tion and eliminate the current wave, would have left some account deficit have both borne banks looking very, very sick in-These positive developments fruit. The year-on-year infla- deed if they had not been able in the field of fiscal policy have tion rate is currently running to strengthen their balance been matched by both mount- around 21 per cent and the sheets and their loan loss proing evidence that the worst of current account, which showed visions from the record-accordthe three-year recession is a DM 8bn surplus in 1982 after ing to the Bundesbank—operatover. GNP in the first half of a DM 14bn deficit in 1981, is ing profits they earned in 1982

TOP BANKS IN THE WORLD AND WEST GERMANY (1982 rankings)

		Assets (less contra accounts) \$m	Deposits \$m
1	Citicorp (U.S.)	120,680	76,538
2	BankAmerica Corp (U.S.)	115,242	94,342
3	BNP (France)	109,944	92,354
4	Credit Agricole (France)	98,507	79,832
5	Credit Lyonnais (France)	96,735	92,450
6	Barelays (UK)	95,328	83,807
7	National Westminster (UK)	87,967	81,040
8	Dal Ichi Kangyo (Japan)	86,925	69,133
9	Societe Generale (France)	85,742	74,654
0	Fuji (Japan)	83,744	65,735
1	Deutsche Bank	83,394	77,247
2	Dresduer Bank	57,608	54,222
6	Westdeutsche LB	55,770	53,431
9	Commerzbank	45,108	43,219
2	Bayerische Vereinsbank	44,369	41,124
Ō	Bayerische Landesbank	39,710	37,700
4	Bayerische Hypotheken	38,743	37,270
6	DG Bank	29,090	17,208
6	Norddeutsche Landesbank	24,417	23,448
7 ou	Hessiche Landesbank	24,188	23,180

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Commercial banks	ш	Trade finance	VI	Venture capital	IX		
Regulation	III		·				
Co-operative banks	īv	Automation		Eurobond issuing banks	X		
Savings banks	IV	Stock market	VII -	DM Eurobonds	X		

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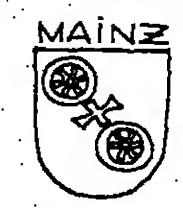


















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A CENTRAL BANK which encourages a rapid decline in interest rates during a period when international confidence in the nation's currency is growing and domestic inflation falling sharply is almost certain to be popular with the financial sector. The Bundesbank, the West German central bank,

is no exception. Over the past year, as the benefits from the severe monetary squeeze it created in 1981 have bgun to show up in the form of a rapidly falling inflation rate, a rising current account surplus and overall a strengthening currency, the thrust of monetary policy times, each time by a full pershifted firmly in the direction centage point. The cuts, which of stimulating the economy. As contrasted sharply with the the central bank says in its cautious easing of official rates 1983 annual report "in its in the previous nine months, monetary policy [the Bundes- brought the Lombard rate down bank] did not need to give the to 5 per cent, and contributed same consideration to external to a rapid acceleration in in other words, it could pay greater regard to the weakness bank money stock the key

Bundesbank STEWART FLEMING

the German economy began to slide deeper into recession as export demand tailed off instead of beginning the slow recovery which was widely

Thus between last August and March this year the central bank cut the Lombard rate at which it lends overnight money to the banks no less than four By last month the central

rates have risen again, whether with declining interest rates, massive loan loss provisions the cyclical low in domestic has eased the financial tensions interest rates has now been in the corporate sector.

Whether the recovery comes on the bond markets. schedule this time, and whether it will be as strong as some are banks was badly needed. In 1980

be ruled out this time.

own over-optimistic projections) expansion which has forced the tion of costs and of the currency operating profits surge. As it

begin has helped to halt the slide in was they were able to begin

With its determined anti- been able to breathe a sigh of inflationary monetary policy in relief. In 1982 the nation's 1981 and the rapid loosening of banks, the core of the financial the monetary reins in the system, where able to make the second half of 1982 and early most of a fall in interest rates the Bundesbank has of over four points in short helped to create conditions rates and two full points in favourable to a revival, albeit bond yields to boost dramatically gradual, in domestic economic their interest earnings on loans activity in 1983 and 1984, and the securities earnings in

The profits turnaround at the

hoping, is still far from clear, and 1981 major commercial Weakening export demand— banks such as Commerzbank and exports account for around and Dresdner Bank had paid a a third of Gross National Pro- heavy price as a result of duct-remains a serious threat ill-judged interest rates specuthe upturn. Export-led lation in their liability and asset growth, such as West Germany management, seeing their capihas experienced in all previous tal ratios squeezed and their post-war cyclical upturus, can dividends cut as a result. Some But it is not just a solid basis been in a sorry state indeed if of domestic economic activity." money indicator, was running for economic recovery from a they had had to start making The shift in priorities became at an annual rate of 10 per low (under 3 per cent) inflation provisions against sovereign most marked in the second half cent, fully three percentage rate that the central bank has risk loans without the benefit of of 1982 when (contrary to its points above target a rate of helped to create. The stabilisa- 1982's interest rate induced

themselves, as bond corporate profits which, together the process of putting aside against foreign risks, and of absorbing the losses of close to The financial sector too has DM 2bn on the financial collapse of AEG-Telefunken.

If the Bundesbank's mone-

tary policy has provided some

banks with a much needed breathing space, the Bundesbank, maintaining its independence from the banks, has kept the pressure on for a tightening of capital adequacy requirements. Moreover, it has only nudged the banks gently into awareness of their responsibilities towards the international financial system in terms of supporting rescue packages for developing countries and providing against rescheduled debts. The responsibility for taking decisions has been left clearly with the banks themselves, hence the differences between banks in Munich and Bavaria over what to do about inter-bank lines to

wanted to cut them. Domestically too the Bundesbank has kept its independence intact. During the tricky period when the Social Democratic-led coalition government fell in the autumn of 1982 and the election of a Right-of-centreled Government in March, the Bundesbank timed its monetary policy moves subtly. The impression was avoided that it favoured one side or the other but the much needed monetary long-term economic growth. A helped elect a now ruling coali-

countries such as Brazil. The

Bavarian banks have in general

Stock Market also plays a limi- ground might prejudice the What is still lacking in the ted role in promoting the effi- Bundesbank's independent role.

Already the banks are restless

central bank will want to move cautiously,

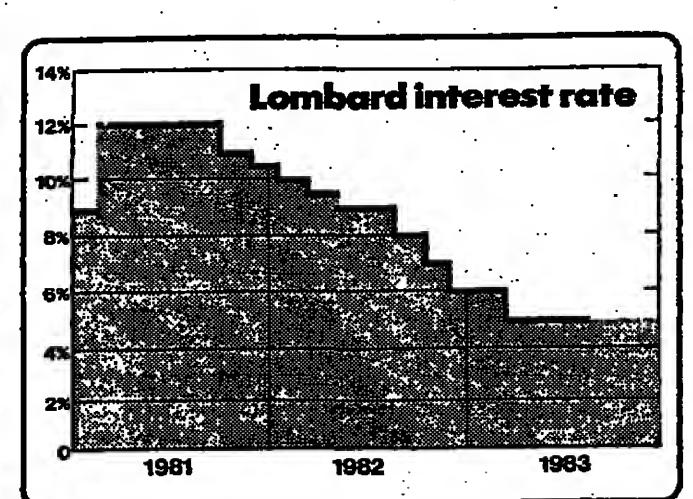
But as the mark has fallen against the dollar to new lows this year in the past few weeks it has become clear that U.S. interest rates are again exercising a considerable influence on the German markets and posing difficult monetary problems for the Bundesbank, which has already been forced to tighten

In the international arena as well as at home, the central bank's policymakers have been emphasing the virtues of financial discipline. The Bundesbank's is a voice which carries considerable weight since it shares the direct responsibility for the Federal Republic's membership and subscriptions to the International Monetary Fund (IMF) as well as being of course a member of the Bank for International Settlements, the Bundesbank made no bones about the importance it attaches to adjustment and financial discipline in those developing countries like Mexico. Brazil and Argentina which have allowed their financial affairs to get out of control. It talks of "strict observance" of IMF

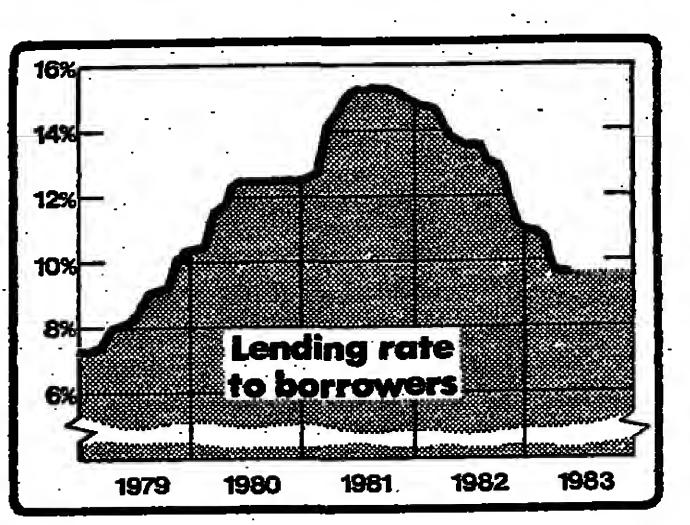
conditions, emphasises that "the main efforts must of course be undertaken by the debtor countries themselves." and underlines that "the IMF must not be tempted by the debtor countries or the commercial banks to take over a part of the outstanding debts." In staking out its position

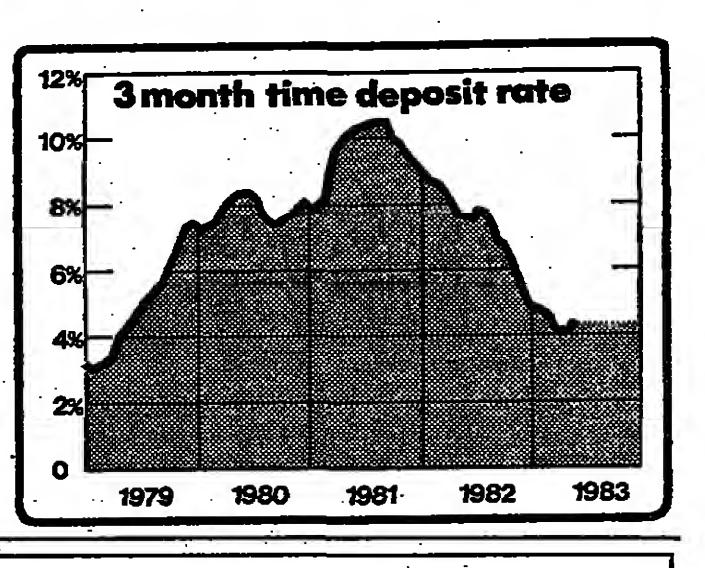
emphasising financial stability the central bank has, however, been pragmatic on other fronts. In March of this year, as much to placate the French and weaken French protectionist tendencies as for domestic policy reasons, the Bundesbank cut its leading domestic interest rates by a full percentage point, a controversial move within the Bundesbank itself, which contributed however to agreement on the realignment of the European Monetary System, helped to keep France in the EMS and blunted French protectionist

Whether it pays off in the even that far from certain—the industrialists would welcome.



hanks





Post-election glow begins to cool

CONTINUED FROM PREYIOUS PAGE

tent the sharp improvement in sovereign risk rescue packages, can markets. operating earnings in this As Dr Walter Seipp, chief The banks realise, however, much more important factor is tion, was pursued. period reflected the banks' executive of Commerzbank, that the easy profit gains re- the primitive West German This political sensitivity has determined exploitation of a puts it: "basically there is a sulting from the cyclical stock market which plays a helped to strengthen the repufavourable falling interest rate clear understanding among the interest rate downturn may well negligible role as a source of tation of Herr Karl Otto Pohl, environment which allowed banks that the banking sector be over. A domestic economic new equity for companies, the central bank president, who them both to widen their mar- has to play its role in the rescue upswing and stronger credit de- Partly because of archaic took office at the beginning of gins on lending and to profit handsomely from bond trading activities.

That the gains in operating profitability did not funnel through into net profits or the itchy fingers of their shareholders reflected the determination of the banks to build up come to terms with the massive Partly under the influence of the domestic bankruptcy wave. capital adequacy requirements tem.

To a very considerable ex- interest to support the carefully at the North Ameri- trial innovation and thus relaxation, which no doubt programmes in full co-opera- mand could, however, materia- accountancy standards and 1980 amid suspicions that his tion with the IMF as a supra- lise and offset some narrowing profound conservatism, the Social Democratic Party backnational policeman."

> The easing of tensions in the West German financial markets over the past year has left many German bankers with the feeling that they have learnt some hard but important lessons in

in lending margins.

financial sector, however, is a cient distribution of new equity In the event some of the critical appreciation of the im- between the successful and less harshest criticism of Herr Pohl maturity of West Germany's successful companies. It thus was to be heard among his old financial markets as a source slows down the process of political allies. of equity finance and the extent industrial change and protects. This is not to suggest that the to which correcting this his- managements which have Bundesbank is hand in glove their loan loss provisions and the past three troubled years. torically defermined deficiency failed to keep abreast of the with the financial sector. will require more than tinker- competition. loan loss write-offs required by an anticipated toughening of ing with the Federal tax sys- In their structure and tradi- about the central bank's attitude Although West German banks the banks are paying much These deficiences have not markets remain deeply under the money supply, fearing that for already the debate about

have taken different views on more attention to profits rather been exposed primarily by the the influence of the problems the tightening of liquidity in when and whether a new franc the controversial issue of re- than assets growth, for example much commented upon absence posed by post-war economic the past four months could devaluation will be needed has storing money market lines to and there has at many banks of an effective venture capital reconstruction rather than the presage more aggressive mone- begun in Paris. With exports Brazil, in common with their been a cautious shift of em- market—at best, even in the world-wide competition and tary measures later in the year, from Germany weakening, a peers around the world the big phasis in international business U.S. venture capital makes an technological change which is With real growth of only 1 per further revaluation of the Mark international banks have recog- towards increasing exposure in important but by no means de- staring West-German industry cent expected for the year-and is scarcely something German nised that it is in their self- Asia and looking much more cisive contribution to indus- in the face.

tions West Germany's financial towards the excessive growth of longer term remains to be seen,



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It is thanks to Duke Carl I, that the tradition and experience of our bank stretches back over more than 200 years. Starting as a "Leyhaus" in Brunswick our name, our business area and our business activities have altered over the years, but the fact remains, that we are the oldest bank in Germany incorporated under public law. Neither has the security we offer as a state bank changed. Our owners, the State of Lower Saxony and the Lower Saxon Savings Banks guarantee all our liabilities to an unlimited degree. This of course offers a solid basis for a reliable and professional relationship. With total assets of DM 54.9 billion, we are one of the largest banks in Germany. A major part of our banking activities is taken by long-term fixed interest rate DM loans. Our refinancing needs are covered by the German capital market, on which we are one of the largest issuers of bonds.

Total assets per 31. LZ. 1982	DM 54 9 billion
Own bonds issued in 1982	DM 9.4 billion
Own bonds in circulation per 31-12, 1982	DM 27.5 billion
Total of loans outstanding per 31, 12, 1982	DM 40.0 billion
- of which long-term loans	. DM 31.5 billion

sidiary in Luxembourg. We participate in loans granted to enterprises and public institutions through numerous national and international consortia. If you are looking for an experienced partner to help in your financial requirements do not hesitate to contact us:

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GIROZENTRALE

SHAREHOLDERS in West Ger- 1981. It could scarcely have and Bayerische Vereinsbank. many's major commercial banks been otherwise. The rapid fall where there was little or no have every reason to be scratch- in West German interest rates recovery element in earnings, ing their heads in astonishment' their annual meetings from the sent opportunity. They were chief executives of the com- able to cut their lending rates panies they own.

ard interest to

ing rate

1981

rrowers W

e deposit rate

1982

1982

On the one hand there was all this talk about dramatic increases in profits; in some cases there had been hints that. 1982 was the bank's most profityear ever. But where were the increased dividends? then were banks like

Commercial banks

Commerchank and Dresdner still unable to restore the dividend, boost cuts of the previous two years? How was it that even Deutsche Bank, which everybody knows has been the most consistently profitable bank of all over the past three years ito the embarrassment of its rivals), was actually reporting lower after tax profits despite strong earnings gains at the pre-tax operating level?

As the accompanying table shows there can be no question that in terms of interest (and trading income) bank profits earnings overall left little to be usually is offset against securi- out what the new conservative/ improved substantially last desired. year from the modest levels of

Commercial banks:

Housing loans

Housing loans

Housing loans

Housing loain

Co-operative banks:

Landesbanks:

Savines banks:

Loans to companies

Loans to individuals

engineered by the Bundes- both reported big gains in bank gave the banks a heavenmore slowly than their funding costs, partly simply by shrewd timing of price changes, partly by shifting their funding towards cheaper sources of money while concentrating their lending on shorter term more expensive loans.

Thus even though bank lending overall grew by only 5.5 per cent (and rather more slowly at most commercial banks Deutsche Bank reported lowest credit growth for twenty years) interest earnings and interest margins soared. Those banks burdened with loss-making portfolios of low fixed interest loans from the late 1970 were also able to start funding these loans at a profit and thus got an extra to assess the significance of the

Government bonds declined themselves

WEST GERMAN DOMESTIC LENDING

(Percentage shares)

operating income. Deutsche Bank, for example, said that its operating earnings, excluding securities dealing, rose 16.4 per cent in the parent company alone to DM 1.79bn in 1982.

The other side of the coin, however, is that against the big operating income gains there were heavy loan losses close to DM 2bn on the collapse of AEG Telefunken alone, one of 12,000 corporate bankruptcies reported in

Germany in 1982 compared with only 8,000 in 1981. Then there were the loan losses and provisions on international corporate business, not to mention provisions against sovereign risks such as Mexico, Brazil, blamed for not really being able retained earnings because they lending to companies such

massive increases in loan loss Falling interest rates in the provisions the banks made last bond market where yields on year (see table), for the banks from just under 10 per cent to deliberately trying (as usual) just under 8 per cent, also not to keep their owners fully meant that the banks were able informed. A recent study of to chalk up big profits on their west German bank accounting securities portfolios as well as by ICBA Bank Analysis of dealing profits on their trading London provides an excellent and new issue business. Even guide as to how German banks though some of the big per- are able to doctor their loan loss centage gains in operating figures so as to make their profits reflected recovery from accounts uninformative. Thus, WEST GERMAN bankers did depressed 1981 levels, there can for example, the disclosed pro- not have to wait long after the undisclosed securities be no doubt that operating visions figure can be, and

25.7

23.5

12.1

14.4

14.1

1.9

are actual losses.

Thus the banks have been sble to play a double game. On the one hand they have been able to boast about their high operating profitability, propaganda which at a time of serious tensions in the world's financial markets helps to boost confidence in West German banking. On the other they have been able to increase loan loss provisions sharply, a step which also tends to reinforce international confidence but which banks' provisions policies. sharply reduces disclosed earn-

sure on the banks to increase their distribution to shareing not only the need to write off international and domestic in others it probably reflects

ings and so reduces too the pres-

clear what are provisions face the prospect of stricter. against future risks and what domestic capital adequacy ratios, the banks' determination to keep shareholders at the end of a long queue when it comes to dividing up profits is understandable. In comparison with, say, U.S. banks it does, however, appear that West German banks are being much more conservative and wiser in the way they are putting aside funds to cover prospective loan losses, particularly on international business. The Bundesbank, for example, has indicated that it is bappy with the

Such a bold statement needs some qualifying. The provisions figures, published and published, have increased—and sharply—at all banks. In some At a time when banks are fac- cases this reflects a conservative assessment of future risks: loan losses but also to maximise as much beavy actual losses on

PERFORMANCE OF COMMERCIAL BANKS Total assets Loans Interest income Provisions (DM bn) (DM bn) (DM m) (DM m) 192.4 199.2 4,127.0 4,703.0 Deutsche Bank 1,192.1 1,703.6 131.5 137.4 158.6 401.4 1,724.0 2,056.6 Dresduer Bank 101.3 108.2 215.6 706.A 1,230.0 1,696.0 Commerzbank 98.3 105.5 Bayerische Vereinbauk 1,412.0 1,210.0 165.6 Bayerische Hypobank 1,372.0 1,046.0 74.4 † Provisions: Disclosed loan loss provisions, write-offs and value adjustments.

AEG-Telefunken, Korf group, tional corporate failures. Some banks are almost certainly a sadder but wiser man. Profit provisions policy, putting reserves aside in 1982 which they were unable to do in 1981

able enough. financial markets, assessing the lending. underlying profitability of the banks is close to impossible.

tailed off and in some cases

dence, however, is that the ex- ing partly restraint in interand other domestic and interna- perience of the past three years national markets (both in interhas made the average banker bank and company and corporate lending) as well as at doing some catching up in their consciousness has increased home. Indeed, privately some dramatically - a development bankers are beginning to wonwhich can be seen not only in der of the pendulum has swung the shifts in the structure of too far and suggest that perbecause they were not profit, the banks liabilities in search haps 400 much attention is ble enough.

of cheaper and more varied teing paid to profitability and
For all these reasons, aside sources of funds but also in the too little to market share. The from the uncertainty surround- general shift last year towards contrast with the frantic asset ing the outlook for the world's more profitable shorter term growth of the 1970s when Above all, asset growth has tripled, even quadrupled their

Fierce debate over likely reforms

Regulation

STEWART FLEMING

general election in March to find ties trading profits before it is liberal coalition Government Banks such as Deutsche Bank published. It is never made planned to do about the controversial issue of the reform of form of banking law which, banking law.

> Early in June Herr Gerhard Stoltenberg, the Finance Minister, resolved the biggest question mark by announcing that the Government did indeed intend to press ahead with drafting a new banking law which, he said, would be published in the autumn. With this statement it seems that the banking industry's efforts postpone for as long as possible the dread day when they will 11.3 have to submit consolidated accounts to the bank supervisors

Helmur Schmidt would indeed press ahead with a sweeping reamong other things would have required the banks to reduce their holdings of industrial com-

pany shares. That issue has long disappeared from the active agenda, partly because banks such as Commerzbank and Dresdner Bank were forced by their poor profits between 1979 and 1982 to realise reserves through selling some of their strategic shareholdings, but also because it is recognised that some hardpressed German companies need all the friends they can find after

statt case led in short order to which are expected, or feared. Some two years ago the manisome modifications of banking are radical enough to be spark- fest absurdity of a Banking Law has made it clear that it does law in particular in the area ing a vigorous, and at times, which required the bank super- not accept this argument. In a of foreign exchange dealing heated debate, between the visors to monitor giant inter- recent analysis of bank profits regulations, and intensified the banks and the supervisors and national banks like Deutsche it has pointed out that over the controversy about the power of between the various banking Bank without information about past year and a half the banks the banks in the economy. At groups. The centre of the con- the tens of billions of D marks have been putting aside record one stage it seemed that the troversy is the application of of international business it did earnings and have been making Social Democratic led coalition Germany's rigorous capital through foreign subsidiaries good both the losses of the past Government under Chancellor adequacy rules to the banks' was conceded by the banking and the need to strengthen their consolidated accounts rather industry itself. It accepted the than — as is the case today principle of supervision on a consolidated basis. -only to the accounts of the

> Nobody is under any illusions change, first the commercial that were banks required to and co-operative banks and then meet today's capital rules on a other banking groups concluded hand to report profits good consolidated basis over night, a voluntary "gentleman's agree- chough to prepare their sharemany well known names would ment' with the Federal Super- holders for new capital issues suddenly find that they did not visory Office in Berlin. have enough capital to conduct The gentleman's agreement, that they destroy their arguthe volume of business already however, has really satisfied no- ments about the burden of the

> major aims of the banking super- quirements implicit in consoli- however, the German banks have visors, who have been growing dated accounting, and not just escaped very lightly in terms increasingly concerned about simply to know which banks can- of tighter supervision, from the the steady erosion of the bank- not meet the rules. ing industry's capital base, which they want to see beefed up, that the existing law providing foreign risks. There seems The other aim of the proposals that assets must not be more to be very little sign that they from the supervisors, to than 18 times capital is too will be required to disclose require the submission of con- restrictive. They argue that more about their affairs to their solidated accounts, is to provide they need a higher multiple and shareholders and the public, for

> them with more information an extensive transition period example. Moreover, looking at about the banks' international (at least five years) before being the shape of planned U.S. legisactivities. operations which forced to meet such require- lation, any arguments to suggest have been carried out to a con- ments on a consolidated basis. that they are being put at a siderable extent by subsidiaries. Otherwise it is claimed they will competitive disadvantage as a

Bank in June 1974. The Her- now be ruled out, the changes no right to demand information. to the economy.

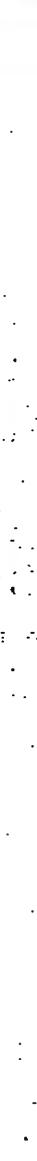
their books, never mind body. The supervisors want to new capital adequacy rules. see the banks required to meet In comparison with their

What can be said with confi- come to a virtual halt, reflect- plete, however, collapse of the Herstitt the power of the banks, can German bank supervisors have sector, which will be damaging For its part the Bundesbank

loan loss reserves.

Behind the scenes intensive lobbying is now under way aimed (smaller) German parent com- But partly in an effort to at influencing the shape of draft blunt and delay the impact of legislation. The commercial banks in particular face the dilemma of needing on the one and on the other not so good

Indeed this is one of the the stiffer capital adequacy re- rivals in the U.S., in particular, mismanagement of their balance The commercial banks feel sheets and over-exposure to



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specialists aimed at optimizing decentraliz-

ed data processing to meet the specific

requirements of the banking industry.

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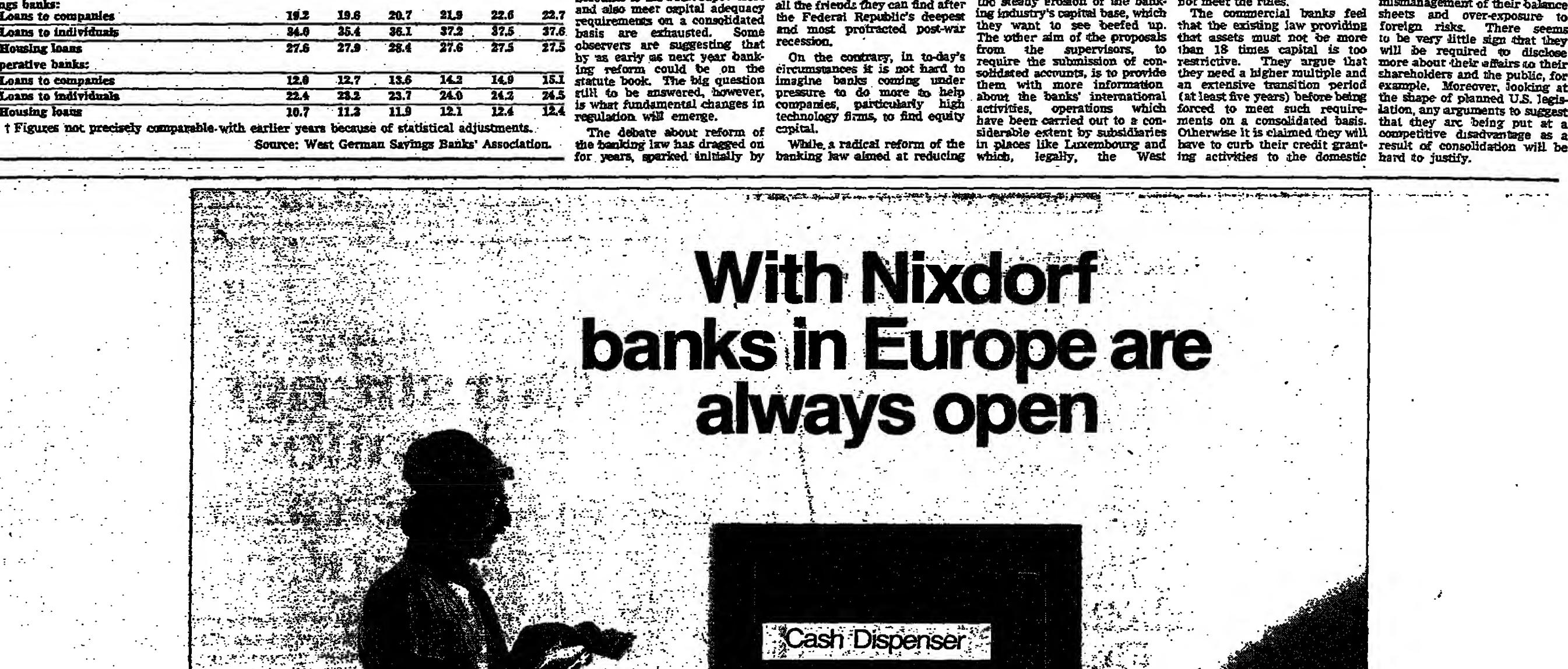
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A concept that frees bank customers

from banking hours, allowing them to handle their banking business in their own time: using self-service centres for cash withdrawals, for printouts of their accounts and to obtain cheques or other printed forms. This practice-proven selfservice concept is just one more reason why Nixdorf computers are Number One in the banking business in Europe.

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Now a major force in retail banking

WHILE the savings banks have effectively seen off the competition from the commercial banks -to the extent that the big banks have gained a relatively small share of the market and are having some difficulty even in hanging on to it—the co-operative banks have been a more dynamic competitor.
Although first established in
the past century it is only since
the merger in 1972 of the
agricultural co-operatives, the Raiffelsen, and the urban cooperatives, the Volksbanken, that they became a major force in retail banking. A further boost came when a few years later they were permitted to

extend loans to non-members. Over the past 30 years, and more especially since 1972, a series of mergers has reduced the number of co-operatives from over 26,000 to a current total of 3,823. In the process the size of each has increased so that the average balancesheet total is now some DM90m and some 30 employees. Membership has also increased, doubling over the past 10 years to 2,500 members per co-operative. None the less the individual co-operative bank is much smaller than a savings bank and serves a much smaller area which they claim give them greater flexibility and independence than their competitors.

Their strength lies in their very big branch network, which is the most concentrated in Europe with 15.979 branches and 19.802 outlets. An additional strength is their direct through their 9.5m member and sit on their supervisory boards.

Co-operative banks

MARGARET HUGHES

makers in the case of the Volks-banken (people's bank) their main activity now is in the col-

lection of savings from farmers, artisans, the self-employed and also increasingly the middle classes. These savings account for 60 per cent of their deposit base. On the lending side their main customers are small to medium-sized companies and again the self-employed where they have nearly 15 per cent of the market. Through their nine regional

banks, the Zentralkassen, much along the lines of the savings banks, they are able to operate as universal banks. The largest these, the DG Deutsche Genossenschaftbank of Frankfurt, is the eighth largest bank in West Germany. It does a lot of international business, including syndicated loans and is able to issue its own bonds on the West German capital

market. The co-operative banks also own one of the largest mortgage banks and one of the largest building and loan asso-

Regarded for so long as the "sleeping giants" of the West German banking community, banks are perhaps suffering the co-operatives have gone most from the co-operatives' from strength to strength once inroads—they now have 25 per they "woke up" and started cent of the current account exploiting their latent poten- market and 23 per cent of the tial. They have gradually built cheque cards in issue—the Set up initially to provide up, and still building, their savings banks are not immune financial assistance to workers market share to the point where either. The emergence of the on the land in the case of the they now have 22.6 per cent of co-operatives has, at the very

5.6 per cent in 1960. They are running neck and neck with the commercial banks in the deposits market, with 26.8 per cent of the total, and have 23.3 per cent of the loans business

Last year they continued to put in above-average perform ances and increase further their share of the retail banking business. The rise in their balance sheet total was less than in the previous three years but was still up 9 per cent on 1981, increasing their market share by 0.6 per cent. Their deposits were up 10 per cent and credits by 6.4 per cent increasing their market shares by 0.8 per cent and 0.3 per cent respectively. The Co-operative predicting higher growth rates

operative banks retain their commitment to their branch network, which represents over 44 per cent of all bank outlets in West Germany. They view their branch network as an appreciating asset as their competitors concentrate more and more on promoting the quality of their service. The cooperatives emphasise the human touch through the contacts which they have via the co-operative associations, sports clubs and other local associa-

Although the commercial Raifleisen (named after the the banking community's least curbed their own growth. founder) and joiners and shoe-balance sheet total, against only A measure of the competition

Source: Savings Banks Association.

MARKET SHARE OF DOMESTIC DEPOSITS (per cent) Big commercial banks: Sight and time deposits Savings deposits and bonds

Short-term loans	16.3	15.5	110 11
Medium and long-term loans Co-operative banks:	7.3	6.2	
Sight and time deposits	12.6	14.8	
Savings deposits and bonds	23.1	. 23.3	HISTORICALLY the savings
Short-term loans	18.7	18.9	banks have dominated the
Medium and long-term loans Savings banks:	9.8	9.9	Federal Republic's retail bank- ing. By law they are required
Sight and time deposits	17.8	18.7	to encourage savings and pro- vide credit for the poorer mem-
Savings deposits and bonds	54.7	55.1	bers of society as well as finance
Of which: Savings deposits	52.0	52,6	the local community. Although this remains the cornerstone of
Short-term deposits	24.7	24.6	their business they have over
Medium and long-term deposits	28.0	22.6	- the past 50 years or so become

co-operatives are the various new savings schemes which they introduced in the past few years, though competition from deposits and bonds has been

another factor.

the Golden Fund. offered by some savings banks, which pays Although they will be adapt- rates close to money market for becoming bankers." ing their operation to the new rates if savings are kept in for electronic technology the co- one year, has aroused a good to make loans but since it has deal of controversy as banks been able to offer its account see the cheap savings deposits expensive. Opinions are split feel that their market share must be held on to at all costs. particularly with the threat of

Competition

new competition looming.

Moreover, while the savings banks may regard the co-operatives as fair, and almost equal, competitors (they still dispute the advantage which the cooperatives have under the regulation whereby permitted loan books are a multiple of equity capital) the same cannot be said for their attitude towards the Post Office. Their views are shared by both the co-operatives and commercial banks. All claim that the savings banks have over the past year or so become aggressive competitors.

The Post Office, which has two main financial arms — the Post Office Savings Bank and tribute pensions and other pay- soon be able to — and will." mercial banks, while the co- arm when discussing co- action in future is still likely.

albeit from a low base.

years late in joining it, it has since 1976 been a partner in the Eurocheque system. Herr Wolfgang Starke, general manager of the Savings Bank Association, says the invitation to the Post Office to join for the credit industry since " it has given them the instrument

Source: Savings Banks Association.

The Post Office is not allowed holders a Eurocheque facility it which were once so attractive has had to allow overdrafts to because of their relative cheap- ensure that the cheques are not ness becoming more and more returned. A limit of DM 500 was set on this overdraft but even within the savings banks the Post Office has now applied between those which agree with for permission from the postal this argument and others who authority to increase this to DM ness volume of all the commer- more than half of the 16m or their market, the West German 2,500. An additional problem for the banks is the advantage 50 per cent of West Germany's which they feel the Post Office current account holders bank will have once home banking with them; they have 38 per starts up since it will be based

> the Post Office is that with its cards in West Germany. consumer.

competitive atmosphere some Association has made sure that cal approach may reduce in cheques in association with banks are becoming resigned to it is in the forefront of new vestment overheads it is not American Express was rejected re-opening on Saturdays. The development in banking, flex- without its problems, as Herr by the Federal Cartel Office. Post Offices are open on Satur- ing the muscles its dominant Starke acknowledges, if only days and in some locations on position gives it when it needs because of the varying speeds have gone their separate ways, Sundays, too. As Herr Starke to protect its own interests. of installation by the different with the commercial banks selthe postal giro - is keen to comments wryly: "If the banks They have been the first to banks and even within the same ling Thomas Cook cheques and become a full-service bank. Its are serious in their emphasis on instal automated teller bank grouping. Although the the savings and co-operative postal giro is already a cheap personal service, they will have machines (ATMS). By the end Savings Banks Association, like banks selling American Express and effective competitor of the to offer the customer what he of the year they expect to have the comparable association travellers cheques. It is clear, banks helped by the fact that wants, because if the traditional 2.000 in operation compared representing the co-operative however, that the issue is by no the Government uses it to dis- banks don't, someone else will with a targeted 100 by the com- banks, is a useful negotiating means closed and some joint

In the forefront of new development

Savings banks MARGARET HUGHES

With some exceptions, they

are not allowed to operate out-

side the regional boundaries of

through their regional banks,

the Girozentralen or Landes-

with 17,000 retail outlets.

cent of sight deposits, the

full-scale commercial banks.

operating them on a trial basis. In spite of being highly competitive the Federal Republic's various banking groups have agreed- to co-operate on payhouses and liquidity managers are now equipped with a magto the savings banks, they have netic strip so that they can also level of technological and become increasingly involved in be used as ATM cards and wholesale and international eventually for point of sale business. Over the years the transactions (EFTPOS). As a number of savings banks has result of the interbank co- our co-operation pacts don't indecreased as a result of mergers operation the Eurocheque card creating larger individual units. can be used at any bank or we might as well forget any There are now some 600 banks post office within the country (as well as in Europe) either to Their aggregate balance cash a cheque or to draw money operated both on the Eurosheet at the end of last year from an ATM. Although stood at DM 583.6bn or 39 per Deutsche Bank was heavily in- card, which operates as a travel cent of the banking com- volved in the launch of the and entertainment card, and are munity's total. Savings banks Eurocheque card it is the united in their opposition to have over two thirds of the busi- savings banks which have issued cial banks put together. Over so in circulation.

Logical view

on the Post Office's telephone largest share - 41 per cent - further and share ATMs was time being, at least, have gone of non-cash payments and have taken - according to Herr their separate ways. Their main argument against issued over half the Eurocheque Wolfgang Starke, general manager of Savings Bank Asso- a Europe-wide consortium bank monopoly of the post and tele-. Savings banks have 46 per ciation - because "although which would buy up Midland communications services it will cent of the total savings market, we are intensely competitive we Bank's Thomas Cook subsidiary not be operating on the same 55 per cent of the savings could all see that investing on to form a new traveller's cheque costs basis as the banks. In the deposit business, 41 per cent separate ATMs would be too system. The savings banks banks' view it will be all too of the consumer credit busi- costly. We wanted to avoid the did not like the proposals, not easy to disguise costs - even, ness, over 50 per cent of loans kind of situation which you see least because of the cost of they say, were the Post Office to small businesses and some 60 in Britain or France where having a processing centre in to know its costs - and offer per cent of municipal loans. It there are several ATMs belong- West Germany, and pulled out. cheaper banking services to the is a stronghold which they do ing to competing banks on every Without them the scheme colnot intend to relinauish. To street corner."

cial and other banks it cannot dictate policy to individual savings banks. Not all are in favour of ATMs. For the system to work effectively and to the benefit of the consumer ATMs have to be available throughout the country so that the consumer can draw money 24 hours a day wherever he

Herr Starke, who has been in the forefront of the new technological development, is conorganisational development as commitments we enter into. If clude the technical aspects then future co-operation.

While they have so far cobanks have failed to agree on a common traveller's cheque. The main disagreement has been between the commercial and The decision to co-operate savings banks which for the

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Deutsche Bank has proposed lapsed. An alternative whereby As a sign of the increasingly this end the Savings Banks Though this kind of logi- banks would issue travellers For the time being the banks

CO-OPERATIVE BANKS' CREDIT BUSINESS (Market chare ner cent)

(ALAL ACL	. Share ber c	cuty				
	1977	1978	1979	1980	1981	1982
Loans to companies and self-employed	12.0	12.7	13.6	14.4	14.3	15.1
Loans to individuals	22.4	23.2	23.7	24.2	24.2	24.5
Housing Joans	10.7	11.3	11.9	12.4	12.4	12.4

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the "small" team with big resources

recession combined with the

lowering of interest rates have been the main influence in the past year on the West German

retail banking industry. New

competitors coupled with the

technological revolution are

other factors which are chang-

ing the overall character of the Federal Republic's consumer

. Demand for credit has been sluggish while the propensity to save has revived - although the lower interest rates have

brought a switch back to shorter

maturities. There has been a

general reverse of 1981 trends

which has eased liquidity for the banks. Savings increased last year by 6.7 per cent to DM

1,084bn, which was both higher

than the previous year's rise of 5,5 per cent and the growth in

credits. These rose by only 5.7

Retail banking

MARGARET HUGHES

the co-operative movement.

which since the merger of the

urban and commercial co-

operatives has become the most

dynamic of the three main

groups involved in retail bank-

while, are relative newcomers

to retail banking, with a corre-

spondingly smaller share of the

market Traditionally associated

with industry and big business,

they made their initial inroads

with the lifting of restrictions

on branching in 1958. They

then rapidly expanded their

branch network from 787 to

a current level of over 3,000,

though in recent years the num-

The commercial banks, mean-

of assets.

static.

finance business.

and other banks in the big one tare policy banks in our ings banks. Not all to tem to work effective the benefit of the other where the benefit of the other oughout the country at the banks a day where she may be. Herr Starke, who has beforefront of the land development is eration such as for the eration such as for the little plementation also little says, "We can be erate if we have a el of technological Canisational dereland all as a willingness with mmitments we suff ir co-operation pags by ade the technical agent ture co-operation " While they have n k, pers ed both on the reque card and on the urd, which operates sie id entertainment can el nited in their opposit isa's attempts to per-icir market, the Wester anks have failed to any common travellers te he main disagreements etween the comment. Wines banks which fe

ime being at least has seir separate ways Deutsche Bank his me Europe-wide constitut. hich would buy to E. lank's Thomas Cook sie. o form a new travellerie rstem. The same lid not like the proposieast because of the tail naving a processing me N'est Germany, and pale-Without them the sing. apsed An alternative pasenks would issue the ineques in associate American Expres ware by the Federal Care the For the time being the gave some their separate with the commercial last.

iing Thomas Cook change

the savings and more

hanks selling America be

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however, that the isself

means closed and man

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stull-service , holly-owned euische Gim mational S.A. irg have built reputation in ictivities. ange rans. he Eurocredit

ale

Savings movement remains the dominant force

· · ·	ETAIL B	ANKING d-1982)		-
	Balance	Loans	— De	posits— Of which savings deposits
Savings banks	583.6	392.4	484.2	275.8
Co-operative banks	301.6	198.8	247.1	130.3
Big commercial banks	222.0	135.4	141.7	48.4

consumer deposits have become increasingly attractive, though they are having some difficulty specialist credit institutions; in hanging on to their market

was as little as 0.7 per cent.

of their total deposits. From a and loan associations. 46 per cent share of the savings much lower base both the savmarket, 41 per cent of the ings banks and the co-operatives credits market and 39 per cent recorded increases in time deposits, although the growth rates The second biggest force is were far smaller than in the previous three years. During that period of high interest rates time deposits increased threefold but as interest rates have dropped, have become far

less attractive to the consumer. Indeed, a particular feature of the savings business last year was the return to popularity of the passbook savings accounts which are subject to statutory three months' withdrawal notice. For the first time in several years these deposits, which still represent about half of all savings, increased to the tune of 10.5 per cent - twice the growth rate of savings with longer fixed

ber of branches has been fairly Compared with their main that of the legal notice accounts competitors — the savings and was around the same 10 per cent co-operative banks — their level. In the case of savings branch network remains very small, especially in the rural a much higher growth rate of attributed to a small increase ings banks by and large have areas. None the less retail 27 per cent, reflecting their in investment activity prompt- managed to do but the combanking has become a major more recent entry to this ing householders and busi- mercial banks are seeing theirs part of the commercial banks' market as issuers. The bearer nesses to convert their loans eroded by the co-operatives business, accounting for be bonds market is dominated by into longer term borrowings, the former sleeping glants tween a third and a half of the regional banks (Girozent- The highest growth in the which are now realising the their deposits. With the recent raien), the savings banks and retail credits business-nearly potential of their huge branch

sovereign and corporate debt, year the biggest growths were achieved by the publicly owned building associations and

On the credits side demand from private individuals Last year the co-operatives increased at twice that from continued to perform best, with businesses — by nearly ? per above average increases. In cent — although in volume the process they repeated the terms the amount lent to busipattern of recent years when ness at DM 600bn was more they have gradually increased than four times as much as that their market share largely at extended in consumer credit. the expense of the big three Loans for house building commercial banks. During the showed an above average past year the commercial banks increase of nearly 8 per cent, registered an increase in say in large part thanks to the fresh ings of only 2 per cent while incentives for house building the growth for the Big Three introduced last autumn by the new government. This was also This was largely because of reflected in the strong growth an increase of 9.3 per cent in a reduction of some 10 per cent of just under 10 per cent in in time deposits, which still the loan books of the private As usual the savings banks account for some 38 per cent mortgage banks and building

The growth achieved by the mortgage banks reflects the declared policy of their main shareholders-the big commercial banks—to direct long-term business towards these subsidiaries. As a result, their own long-term credits business showed a decline of nearly 7 per cent last year. The improved performance of the mortgage banks, however. which helped them improve their market share marginally to almost 17 per cent, was not enough to offset the general stagnation on the Big Three's by less than 1 per cent.

By contrast the growth in savings bonds and bearer bonds. which in the years of high saw a strong upturn in this every 1,375 persons, compared interest rates had far outpaced sector towards the end of the with one for every 3,400 in year. This higher growth rate the UK. 1981 when short to medium- been one of fighting to hang or bonds the co-operatives showed term loans grew faster, is to market share. This the sav-

The private ones, like the mort- from new quarters. gage banks, are owned wholly They see the greatest threat or partly by the commercial from the Post Office and those banks or other financial insti- banks which do not at present

medium-sized companies and the eventually ironed out BTX will banks, with their very personself-employed than from big provide the consumer with aliged approach through small companies. This sector, tra- home banking through a tele- individual branches, the new ditionally the domain of the vision set and telephone line. co-operatives and savings banks, has become the target for major to the commercial banks which as their present approach is to streamline the routine operatechnological and other developmarketing efforts. All three at present are unable to reach working very successfully. The banking groups are offering special medium-sized loan

schemes. Such is the structure of retail banking in West Germany that there is little potential for expanding the market Beyond the youth market of school leavers, apprentices and graduates, along with new small businesses, it is a tough task to win business from competitors. The Federal Republic is already a highly banked country. As much 25 97 per cent of the population has at least one bank account -- compared with 60 per cent in the UK, for instance. As many as credit business, which increased 83 per cent have more than one savings account while 80 per By contrast the savings cent of the working population banks, which are strongest in are paid through the banking short to medium-term lending, system. With the extensive showed above average growth branch network of the colast year in long-term loans, as operatives and savings banks the co-operatives, which there is one bank branch for

in long-term loans, a reversal of The overall emphasis has thus

eight per cent-was for house- network and close direct links This market is with the public. But with the dominated by the mortgage advent on new technology the banks and the Bausparkassen retail bankers are becoming (building and loan associations). concerned over competition

tutions such as insurance have any branch network to Co-operative banks companies while the public ones speak of but which will be able Savings banks - the Landesbausparkassen - to reach a wide spread of Commercial banks are owned by the savings banks. potential customers once electronic banking is underway.

Neither of these two groups tronic banking is underway.

Nor individual savings banks West Germany is somewhat (which are also traditional probability of home loans) will lend the full amount required to buy the full amount requ or build a house. But increas- 670 automated teller machines ingly the retail banks are now and cash dispensers have been been a much bigger growth in computer supplied by IBM. obsolete. credit demand from small to But when the problems are

This could be of direct benefit immediate threat, particularly

Balance sheet assets: Co-operative banks Savings banks Commercial banks Deposits:

offering one-stop packages in installed to date, against 3,510 ing market through their branches than the co-operatives personalised approach for the association with their sub- in Britain and 3.321 in France limited branch network. For and of larger individual size but more specialised services. With sidiaries or associates, with while home banking, which it the savings banks and co- far more than the commercial little to choose between the pro-bank loans being used to had hoped to start this year, operatives the new technology banks, is somewhat caught in ducts offered by the three main supplement the normal housing has been postponed until the poses something of a dilemma, the middle. They cannot afford banking groups, all of which, spring of next year because of Home banking could make the to reduce their branch network with the exception of one or As far as the retail banks' the problems of adapting the very core of their banking while the co-operatives main- two small differences dictated loans to the business sector is software to the Post Office's operations - their branch net tain theirs, yet they face in- by their incorporation, operate concerned there has latterly Bildschirmtext (BTX) central works at best costly, at worst creased competition from the as universal banks offering full

technology may be of a less

In the case of the co-operative

50 per cent of the retail bank- savings banks, with fewer branch staff to provide a more

MARKET SHARES IN RETAIL BANKING

18.7 38.7 42.6

19.3 38.0 42.7

18.2 38.3 43.5

mention the new entrants. theirs will be a two-pronged approach using new technology ment by setting the pace in tions which will free their ments.

commercial banks which will banking services, competition is, now be able to reach a wider in any case, centred on the market at lower cost, not to quality of those services. Meanwhile, the savings movement is The savings banks stress that making sure that it remains the dominant force in the move-

A PEAN IS THE

Head office of the Municipal Savings Bank (Sparkasse) in Dususseldorf. In a country that is already fully banked the battle in retail banking is to hold on to market share. The savings banks have managed to do so but the commercial banks are under strong challence from the co-operatives.

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Trickiest problems are the best.

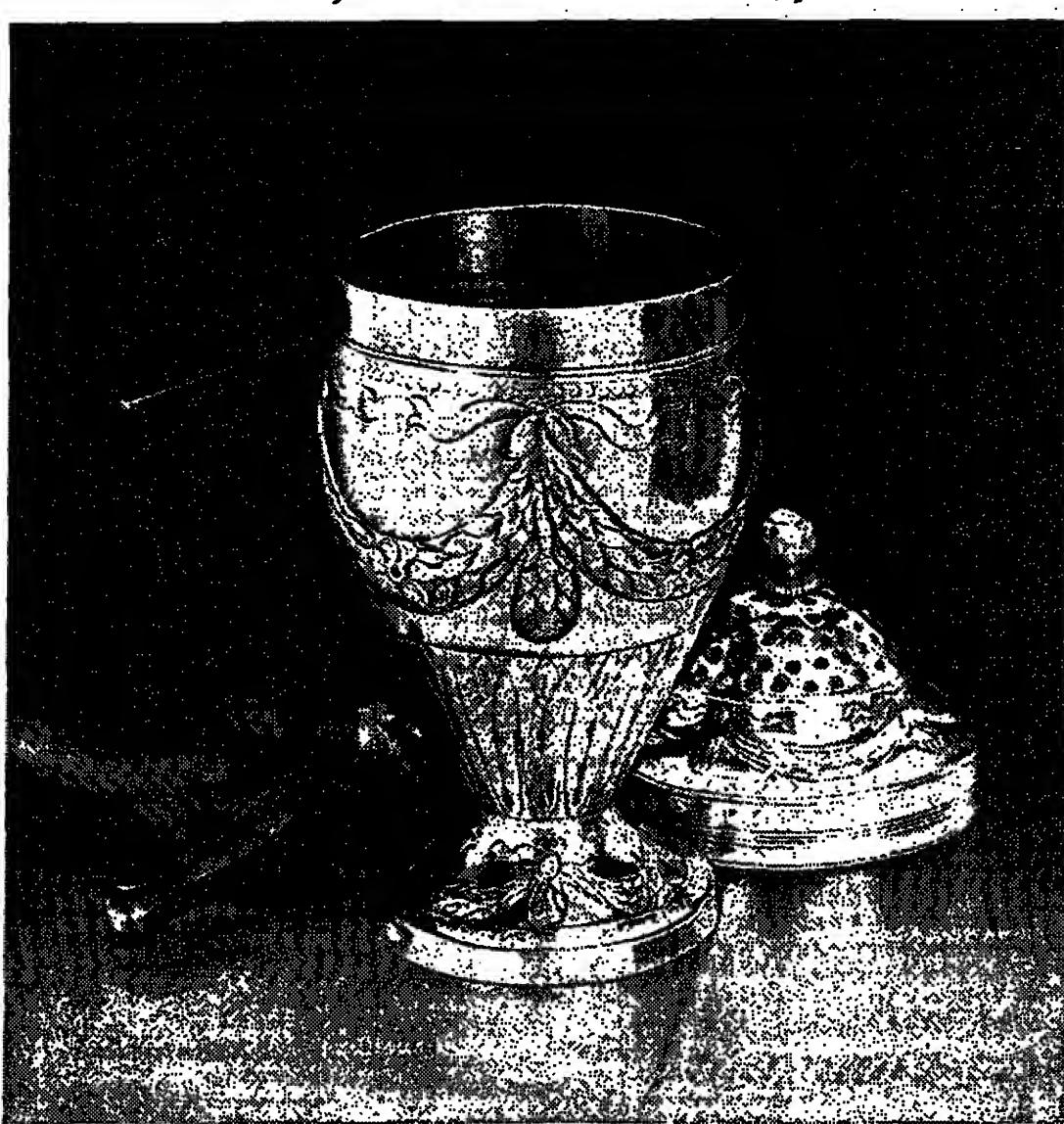
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Pleas for more liberal line

especially sensitive to shifts in should take account not only the world's economic and trad- of the risks involved in export compensation. Of the payouts ing climate. With its proud deals but the employment and for political reasons last year, he maritime tradition, it is hurt broad economic benefits as well. more than half involved Poland in the chill effects of Asian insurance should not be blocked. Romania. competition on its shippards. As totally to countries whose debts a merchant trading centre it is are being rescheduled with the used to scanning distant con- help of the International Monehouses the headquarters of that raised the upper limit which unusual financial institution, Hermes' total outstanding into which West German exporters have been looking increasingly for help

with problems of trade finance.

Trade finance JOHN DAVES

and finance from banks. The conditions of insurance laved. coverage have been eased in

increase in Hermes' fees - 2 move which would add to exporters' costs at an unfavourable time.

Hermes is actually a commer-

cial organisation, tracing its

origins back to 1917 and largely owned by Munich Re-Insurance and Allianz Insurance. While its domestic insurance is it own affair, it conducts export credit insurance as the chosen instrument of the West German Government, which also bears the financial consequences of this part of the business. Hermes is, therefore, like its namesake in Greek mythology, a messenger of the gods and protector of merchants. The extent to which the gods

should, through Hermes, protect exporters has been a matter of some debate in West Germany, which is a strong supporter of free and unsubsidised

However, the Cabinet in Bonn

tary Fund and the private banks. The Government has also surance coverage may reach from DM 160bn to DM 185bn.

At the same time the holders of the purse strings in Bonn Politicians are apt to shrug have been laying the groundtheir shoulders helplessly at work for an increase in the the plight of the shipyards, financial terms which exporters Bremen and Kiel, where jobs coverage, in view of the higher are continuing to dwindle. But risks these days. The Finance the general rise in unemploy- and Economics Ministries have ment in West Germany to over been alerting exporters that 2m is part of the reason why they must reckon in future with backers have come under pres- where between 30 and 50 per sure to ease conditions for cent. This could add up to an export credit insurance—the extra DM 350m a year.

The West German Industry Association has been arguing against an increase in Hermes' fees. It believes exporters should be spared extra costs at a time when it is particularly difficult to get foreign business. It also argues that much of the risk involved is not that foreign key to securing orders for work purchasers will not pay, but that payment will simply be de-

A chorus of protest has been some respects, even though building up, with critical voices Hermes faces the possibility of coming from within the Free heavier payouts because of the Democratic Party (FDP), the debt problems of some foreign junior partner in the governcountries. At the same time, ment coalition, and more however, official pressure has vehemently from the opposition been steadily building up for an Social Democratic Party.

An SPD trade expert. Herr Uwe Jens, recently remarked that it would be absurd to add to exporters' cost burdens when the whole economy was heavily reliant on an uplift in trade. Higher Hermes' fees, warned, were bound to destroy jobs, particularly in manufacturing and in vulnerable small to medium-sized concerns.

Politicians and officials bent on trimming government spending and cutting subsidies have been brushing aside these arguments. Hermes, like other institutions. Thust pay its way, they

As a result of the increased problems in trade financing Hermes' payout to exporters cases 'political" factors were has a German link, such as nomic potential,

On the other hand, Hermes' income from insurers and from delayed recovery of debts abroad was actually high emough fast year to cover its increased payout and its administrative costs, with a surplus of DM 34m left over. It is widely doubted whether such a result can be achieved this year, in view of the risks involved, for example, in Latin

Hermes covers slightly less than 10 per cent of West Germany's export business, mostly to developing countries. Opec countries and Eastern Europe. A smaller percentage is insured by other private companies on a purely commercial basis.

coverage smooths the path in securing finance for a leade deal, it is vital only in the most sensitive countries and does not affect the bulk of West Germany's trade.

In actual trade financing, as with many other areas of banking the West German scene is dominated by Deutsche Bank, the country's biggest commercial bank. This one institution is estimated to handle the financing of about a quarter of the country's foreign trade and an even higher proportion about a third - of trade with Eastern Europe.

In an extension of its already wide trade financing interests, Deutsche Bank recently reachedagreement to increase its stake in European Asian Bank, which from its Hamburg headquarters supervises banking operations in 14 countries of Asia and the

European Asian Bank was set up in 1972 by the seven partners of the European Banks International Company (Ebic). At the same time it took over the assets and liabilities of the Deutsch-Asiatische Bank, which dated back to 1889 and was involved in financing Chinese railway construction: before World War L

With three of the Ebic partners going their own way. Deutsche Bank now is gaining 60 per cent of the Hamburgbased bank.

HAMBURG, an elegant city decided earlier this year that described as the reason why the arrangements to finance in local swept by sea breezes, is Hermes export credit insurance exporters failed to obtain pay- currency the sale of trucks from the bank has also been interested in such deals as financing Indo-

nesian plywood exports to Taipeh and South Korean ship sales to Sri Lanka. Herr Michael Boehm, a managing director, believes the bank's activities, concentrating on medium-sized Deutsche Rank, with its interest

in larger Asian projects. West German exporters and their bankers have been looking increasingly to Asia in recent years, although with mixed results. Not only the "Big Three" commercial banks but other competitors also have opened representative offices in Asia to explore trade financing and investment opportunities. However, Herr Ingo Greve,

an official of the East Asia Association in Hamburg, believes that West German exporters still find it difficult to obtain finance for trade with Asia. He sees this as largely a psychological problem, arising from a feeling that Asia is more distant and less familiar than, for example. Latin America. He also strongly holds the

view that export credit arrangements—not only for Asian trade -should be liberalised to secure orders and jobs. He believes that in the past orders havebeen lost to other countries through tight credit insurance restrictions - imposed through Hermes.

Manufacturers believe that Hermes — and beyond it the Government — should view problems of trade finance and export insurance from a longerterm perspective. They point out, for instance, that since 1949 Hermes has contributed DM 1.3bn to the Government budget. This should be taken ioto account in the present climate of higher risks and possible losses, they argue.

Some financial figures in West Germany have also been pointing out that the debt problems of some countries would be best solved by promoting a more general economic recovery and trade growth. Manufacturers argue that Germany would make a contribution to such a policy by being more liberal towards export insurance and trade finance. They believe that this would not only help Ger-European Asian Bank has man exporters to sell abroad but been steadily building up a would also help problem coungrew from DM 770m in 1981 to network of trade financing, tries to buy investment goods DM 930m last year. In most About 20 per cent of business needed to improve their eco-

ine 25

Measured approach to electronic systems

FROM THE 14th floor of the customer service. Dr Wilfried withdrawals a day from each Chase Bank in Frankfurt, Herr Guth, one of the two joint chief dispenser. Heinz Rahlves has a far- executives of Deutsche Bank. The banks have expressed some time to clear debris from including cash management. the past and make a dramatic change in the landscape.

and Chemical Bank. However, balances thus reducing a source tain local banks. U.S. institutions tend to run into a conservative approach to customer-service banking technology in West Germany, stemming not only from an innate local caution but also from the balance of financial forces in the country.

Herr Rahlves, combining U.S. and German experience as well as training in computers and total of about 80 companies in are generally cautious the computerised cash management services offered by his bank and by its competitors. The big question, he says, is how to reach the next 300 companies.

systems will enable corporate treasurers to perform from their own offices. This means that banks have to offer a hardware and software package that is a multi-purpose intelligent device. "For the next 300 companies you will have to offer more products and more intelligent machines," he says. Herr Rahives senses a change

or so, with top management of European companies becoming more interested in the possiblities opened up by electronic banking. More executives are making enquiries and encouraging their staff to become familiar with the techniques.

With their already powerful position in corporate banking banking. More executives are making enquiries and encouraging their staff to become familiar with the techniques.

While some cities are fairly well endowed with cash dispensers, the machines are hard pensers, the machines are hard to find in others. Hamburg in particular has been described to form the west of Commerzbank. He said the big West German which a cash dispenser is a rare cash dispenser.

have not proceeded with undue

Critics of the German banks (videotext) screen. claim that their technological conservatism stems partly from

Automation

JOHN DAVIES

of bank profits—a development banking, adopts a pragmatic the banks could hardly welapproach. He estimates that come. On the other hand apart from banks themselves a German companies themselves West Germany have opted for nature. Their links with their house banks are close

> The cautious attitude of the big West German banks also extends to technological services for private customers, although in this field they are far more aware of potential competition - from the savings banks. The number of cash dispensing machines is growing but they are still much less widespread than abroad.

The banking system has been concerned to try to avoid unnecessary duplication in istallation of cash dispensers. 1979 an agreement was reached to provide compatible dispensers so that customers of one

penser is a rare oasis.

up prospects for this type of This works out at nearly 160 customers.

reaching view of the city and made a brief reference to elec- determination to press on with its many building projects, tronic banking services in a providing a greater number of including new bank offices. The recent address to the Frankfurt automatic cash dispensers. They view encourages a sense of Chamber of Commerce. He do not believe that the devices perspective in a field in which remarked that many large inter- will be overtaken by other tech-Herr Rahlves has a particular national banks, in response to nological innovations such as interest-banking technology, the changing needs of their point-of-sale electronic transfer The horizon is wide, activity is customers, had developed new systems or bank account operadefinitely there, but it takes forms of financing and services, tion from a customer's living room via his Bildschirmtext

An electronic point-of-sale system is being tested in American-based banks, is among their traditionally strong links. Munich, with terminals installed those which set considerable with local companies, which are at a number of retail stores and store by new electronic bank- scarcely likely to switch petrol stations. Purchasers use ing services for corporate cus- allegiances. The critics also their Eurocheque cards and Other strong cham- point out that electronic cash code numbers to authorise pions of this cause on West management by customers could direct deduction of payment German soil include Citibank lead to a reduction in idle bank from their accounts with cer-

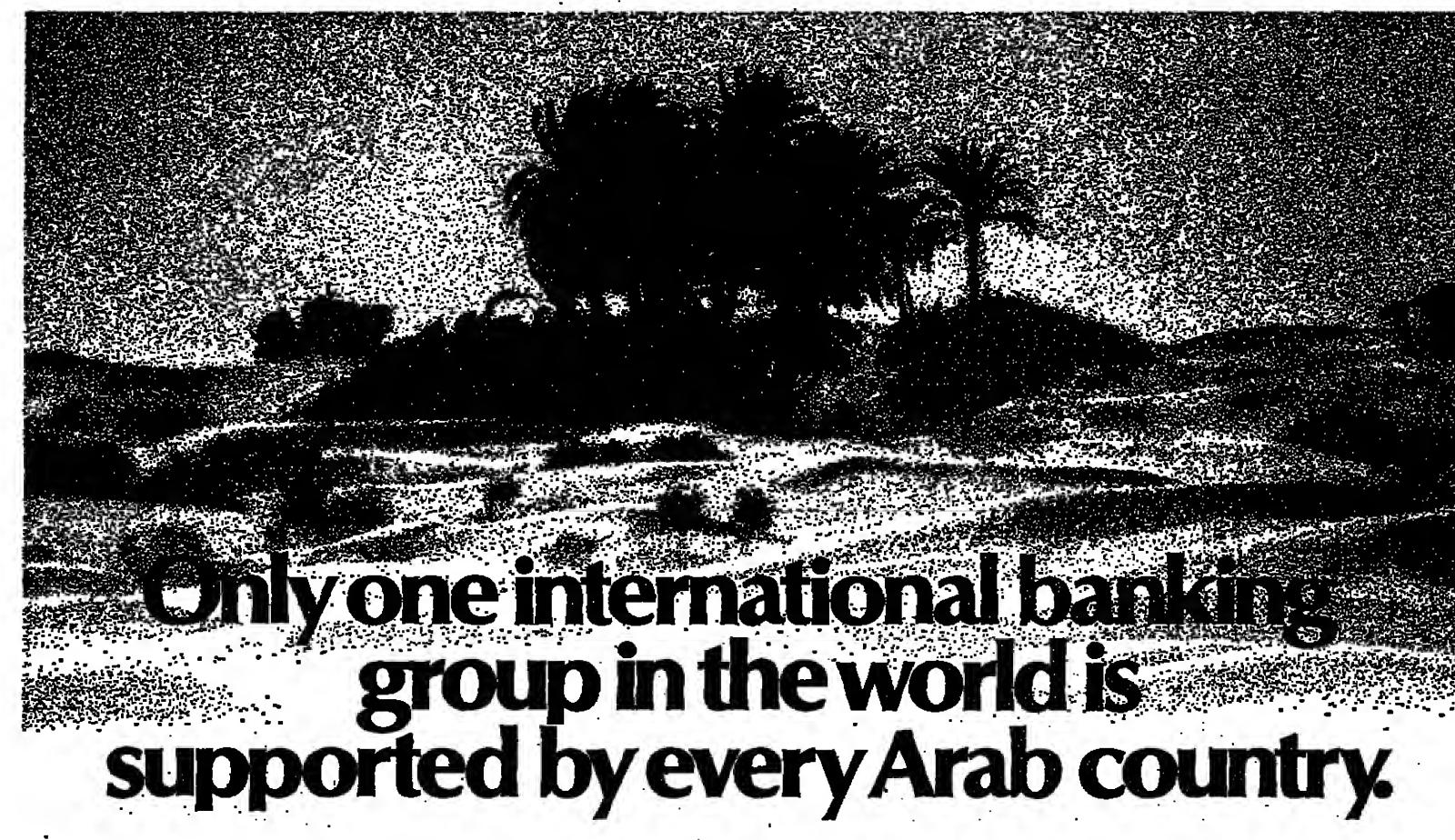
This technological device has not met with universal enthusiasm from savings banks or the retail trade in West Germany because of the costs involved. Small and medium-sized shops want to keep a tight rein on this development. They fear they will either face heavy costs through installing terminals or else lose business to stores which provide them as a customer service.

Home banking is one of the boundless prospects opened up by Bildschirmtext, which is being introduced by the West German Post Office early next year as a basic video communications system. When adequately refined and with sufficient security precautions the system could theoretically enable bank customers to get information on their accounts and arrange account transactions—all from the comfort of their living room. At this stage many bankers are rather dubious about the implications.

West German banks are laying the groundwork for future extension of technological developments to customer services. This is explicit in a recent trade in attitudes over the past year bank could withdraw cash from union agreement which ena machine at another bank visages the computerisation of Under the agreement savings many banking services and banks are progressively converting machines to the compatible employees jobs as far as possible through retraining.

possibilities to improve custohaste into this technological. West Berlin has been relating mer services as well as to field. However, Commerzbank tively better served, with 19 dispense with routine work. But field. However, Commerzbank tively better served, with 19 dispense with routine work. But took a decisive step late last devices in the compatible syshis bank did not want to be year by reaching an agreement tem—requiring a Eurocheque come a "machine bank." Indiwith Chemical Bank to offer the card and a code number—as vidual professional counselling well as ten others run by the foreground of the bank's management to corporate customers.

Dresdner Bank and Deutsche Bank have also been weighing week, totalling nearly DM 5m. the bank's personal dealing with managements for this type of This works out at nearly 160 matomers.



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tumover there alone was \$300 billion.

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UBAE Arab Italian Bank S.p.A. Representative Office in Milan.

Confidence in underlying strength despite recent easier tone

AS THE West German stock cyclical high possibly market at last shook off its reached next year.

sembly operations in the such deals as finance size plywood in the story of the second second size to Sri Land South Kornell Sou

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morters still find

prices have retreated nervously during bouts of anxiety touched off by currency and interest rate worries. Moreover, the stock market's ability to function as a source of new capital for corporate ventures remains a controversial lesse. While some companies have taken advantage of the buoyant market to make rights issues, the launch of new companies on the stock market is still a rare

indices began rising from their concerns, which showed less trough in August last year, promise of early benefits from several weeks before the shift an economic upturn. of political power in Bonn. The

Stock market

JOHN DAVIES

share market had previously languished under the impact of recession and high interest rates, which for a long period made bonds a more attractive avenue for investment.

Coinciding with the sudden and sharp rise in unemployment late last year, the new Centre-Right coalition government under Chancellor Helmut Kohl introduced measures to stimulate the economy-primarily through aid for home building and industrial investment. At the same time the outlook seemed favourable for a continuing fall in interest rates.

Responding to these economic market activity reacted a climax just before and just after the election of March 6 which returned the coalition government to power. With investors in the U.S. Britain and

index rose 22.6 points to 844.9 the election on a wave of market euphoria scarcely seen since the days of Chancellor Konrad Adenauer.

By April 27 the index had reached a 22-year high of 965.6, showing a rise of 48.5 per cent since the trough of 650.2 on August 17 last year and a 26.5 per cent gain since the beginning of 1983.

A sobering influence then set in with prices and the volume of trading declining in the ensuing weeks. Bankers actively involved in the share market described the setback at the time as a period of consolidation attributable to a number of factors. These included & " normal" reaction to higher prices, the strengthening of the dollar and sterling against the Deutschemark and renewed doubts about interest rates and economic recovery. investor interest tapered off with the growing likelihood that share market gains would be wiped out by

The Commerchank index slipped to 889.7 on June 1 before reverting to an upswing which took it to a further peak of 986.3 on July 7. With intermittent bursts of foreign buying, the index bumped along unsteadily during July a little below its peak level. However, the market then sagged during strengthened considerably against the D-mark and as concern grew about the possibility of higher interest fates in the U.S. and West Germany.

currency losses.

Market dealers believe that, in general, share prices have shown strong resistance to the depressive influences in the last couple of months. Despite con-tinuing doubts about interest rates and economic growth, the consensus seems to be that after a period of uncertainty and fluctuation the market still has further gains ahead, with

DM 20.8br, well sheed of the total of DM 15.5br for the

However, efter the scrambling activity of March furnover in Frankfurt declined in ensuing months—to DM 4.4bn in April DM Sbn in May and DM 2.8bn in June-before edging up to DM 2.9bn in July.

year's upswing the most soughtafter shares included builders such as Philipp Holzman and Hochtief; the more successful car makers, Daimler-Benz and BMW; Siemens, the computer and electronics concern; the large chemical companies; banks and retail stores, Limping along at a slower pace were West German share prices shares of some heavy industrial

> Since then large building companies have tended to fall from favour. The change of mood was brought about by the realisation that while home building was improving in West Germany, commercial and industrial construction was showing only modest improvement and government building pro-jects were decidedly weak. In addition, building orders from sbroad, notably the oil-producing countries, have been failing

Bankers have lately been advising clients to adopt a very selective approach to share buy-ing in West Germany. The view seems to be that the market is unlikely in the near future to be strong enough to carry entire sections ahead. On this line of reasoning it is necessary to be more selective about individual companies within sectors,

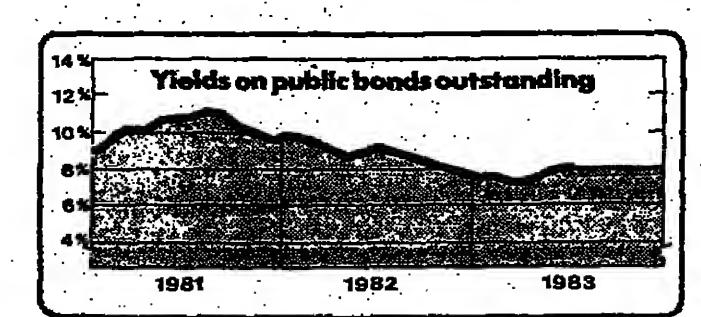
While chemical companies and car makers in general are rated among interesting prospects, other manufacturing concerns are being scrutinised more cautiously. In many cases the market has already taken. account of expectations of higher profits arising from increased capacity utilisation. But bankers have been pointing out that the strength of the The amount raised in the first Switzerland adding their buying dollar in relation to the Thomask could give a competitive advantage to some manufacturers in export markets.

In the immediate future the market is considered likely to in the first day's trading after be operating very much in the shadow of monetary developments. The Bonn Government has been rejuctant to see higher interest rates for fear of stifling the modest rate of economic recovery, However there has been concern for some time about the trend of interest rates, not only because of developments in the U.S. but also because of the growth of the money supply in West, Germany, which has been ex-

> ceeding the target. strong and sustained the present economic recovery will be. The upture in Gross National Product in the first quarter of this year—a turning point after two years of slagnation or declineincreased consumer spending. This rise in spending was a factor underlying the popularity tradiciz. However, a key quesinvestment can be stimulated provide onger-lasting boost to economic

ankers have been envisaging further rise in the Commersbank index to the 1,000 level. This psychologically significant point is seen as only a small step from the July 7 peak of

picked up, another aspect of the German - stock exchanges has taken on a new lease of life this year-option trading. New regulations were introduced in April to simplify the conditions under which some 55 German and foreign share options are Professor Karl Oppeniaender. traded. This involved standard- president of the IFO economic ising the option periods, termi-research institute, remarked



Sector	August 17	Dec 39	March 7	April 27	July 7	Per cent rise between Aug 17 and
	1982	1982	1983	1983	1983	July 7
Banks	91.30	108.41	116.31	138,22	136.55	49.6
Insurance	229.58	288.81	802.26	360.80	373.70	62,8
Motor vehicles	141.98	182.82	215.10	253.02	278.86	96,4
Building	283.07	376,38	405.56	451.24	380.41	34.A
Chemicals	53.31	59.45	65.84	73.56	77.35	45,1
Electrical	69.15	84.74	95.83	114.03	122.27	76.8
Retail stores	48.60	51.32	62.15	69.42	66.99	37.8
Steel	102.58	100.85	114.33	128-18	117.40	14.4
Manufacturing and engineering	107.18	113.83	125.46	135.35	129,62	20.9

In the early phase of this the volume trading had already surged shead several weeks before the new regulations came into force. But bankers say the new system also quickly attracted new clients who previously adopted a reserved attitude to option trading.

> A variation of the option theme—Eurodollar bond issues with detachable and tradeable share warrants—also came to the fore in the West German financial markets this year. The warrants are basically options to buy shares in the borrowing group at some future date but a predetermined price.

> While the share market has rising borrowers have been able to raise Eurodollar leans at lower interest rates than for conventional issues because of the prospect of capital gains if the warrants are exercised. Although the fashion was not confined to West Germany, it brought forth a spate of issues in quick succession—notably for Hoechst chemical company; Siemens; Degussa, the precious metals and chemical group; and for leading commercial

Companies turned to this capital raising device because of a favourable constellation of forces in the financial, currency and stock markets. At the same time the new share market climate increased expectations that more companies might turn to the stock exchange to a langrove their capital base. While some companies have launched rights issues, for a mixture of motives, the scale has not been dramatic. shead of the same period last year, but the total was dominated by the DM 810m right; issue by RWE, the electricity utility, to finance power station

In some cases rights issues serve a double purpose of increasing the company's capital base while also providing a benefit to shareholders if the new shares are issues below the actual market price. This has been the case, for instance, with the rights issues for Siemens and Daimler-Benz.

The capital raising role of the West German stock exchanges has long been regarded with disappointment. Critics of the exchanges' performance point out that the share capital base companies has declined starkly in the last two decades that few new companies launched on the stock are market Many large companies in West Germany, built up sincewar, remain in family ownership or in a few hands and are not traded on the stock exchanges. In addition, there is a growing feeling that the stock market is failing to provide the opportunity for investors to finance newly founded innova-

tory enterprises. There is some indication that the number of company launchings on the stock market may be increasing. One notable newcomer to the market is Wells, the hair-care company. But as an Indication of how such matters operate in West Germany, this "newcomer" already has sales revenues of DM 1,4bn a year and its business links stretch world-wide, even as far as China.

The shortcomings of the stock market as a source of capital are drawing more attention these days. For instance, ising the option periods, termination dates and pricing recently that serious considerations arrangements, in an attempt to tion should be given to ways of shed more light in what is a bringing more companies to the mathematical jungle.

Spurred along by the profit prospects in a rising share martical in West Germany to support such ventures but that so far it has been channelled into other avenues. nelled into other avenues.

Dr Wolfgang Roeller, a management board member of Drosdner Bank, summed up the problem in a recent address to the Frankfurt Chamber of Commerce. A lively share market was not an end in itself, he said. It was a means for companies to ensure they could improve their capital strength. He believed steps should be taken, including taxation measures, to try to encourage a sustained and wide interest in the share market.

	SECTORAL S	HARE I	NDICES			
Sector	August 17	Dec 30	March 7	April 27	July 7	Per cent rise between Aug 17 and
	. 1982	1982	1983	1983	1963	July 7
Banks	91.80	108.41	116.31	138,22	136.55	49.6
Insprance	229.58	288.81	802.26	360.80	373.70	62,8
Motor vehicles	141.98	182.82	215.10	253.02	278.86	96,4
Building	283.07	376,38	405.56	451.24	380.41	34.4
Chemicals	53.31	59.45	65.84	73.56	77.35	45,1
Electrical	69.15	84.74	95.83	114.03	122.27	76.8
Retail stores	48.60	51.32	62.15	69.42	66.99	37.8
Steel	192.58	100.85	114.33	128-18	117.40	14.4
						The state of the s

Compiled by Westdentsche Landesbank December 31 1968=100.

PRICES OF SELECTED EQUITIES							
(DM)							
	Aug. 17	Dec. 30	March ?	7 April 27	Aug 19		
Philipp Holzmann	326	490	520	540	410		
Daimler-Benz	292	393	450	541	571		
BMW	176	227	292	343	383		
Slemens	214	260	291	355	343		
Hoechst	104	118	133	148	157		
BASE	114	122	131	149	155		
Dresduer Bank	117	148	161	196	174		
Kanfhof	176	196	240	266	256		
GHH	177	169	172	169	146		
Mannesmann	127	144	159	177	143		

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Banking System

The banking system can be ally less expensive than the

(1) multi-purpose or universal Trade acceptances. These are

banks and (2) specialised used to finance trade flow up to

banks. The latter provide most- 90 days and can be discounted

For the businessman, however, Medium and long-term loans.

fic needs.

Security

under arranged lines of credit.

Permanent working capital

needs and fixed assets are usualty financed with instru-

ments such as revolving credit

lines and term loans, in addi-

mon to equity. Here, the banks have a number of elternatives

and loan agreements can be

rather-made, according to speci-

Unsecured lending to indus-

trial corporations — also to

practice during the past 20

Secured lending on the basis

of mortgages, assignment of

receivables, pledge of market-

able securities or inventory is

the prevailing instrument in

case of new companies, (Note:

a deverage of 2:1 or 3:1 ds quite

classified into two categories overdraft rate.

gage loans, lease finance, etc.

multi-purpose banks are the

Their business is not limited to commercial or investment

banking or brokerage activities.

They are in a position to pro-

vide all banking services; loans, traditional banking services.

investment banking trading in

securities for own or customer's

account as well as cross-border

transactions through their own

branches abroad or banking

• Short-term errangements (up

ally handled in the form of

overdrafit facilities on a current

account. Such arrangements

make it possible to draw out

and repay on any day according

to the cash flow and liquidity

requirements of the business.

most important

correspondents.

WEST GERMANY is stepping up its efforts to attract investment from overseas, providing in the process strong competition for countries such as Britain, France, and Ireland, which for a number of years have been seeking to stimulate and modernise their own economies through the acquisition of manufacturing expertise from abroad.
In Germany the incentive, as elsewhere, has been provided by a substan-tial rise in unemployment—up from 1.3m in 1981 to 2.1m now, or roughly 9.5 per cent of the working population. There has been mounting concern, too, that competitors such as Japan are moving ahead of West Germany in the industries of the future. German industry's investment record throughout the 1970s has been sufficiently poor for it to be regarded by the OECD as the poten-tial Achilles' heel of the economy. In 1982, for example, investment decreased

in rest terms by 6.5 per cent while GNP fell by substantially less at 1.2 per cent. With encouragement from the Federal Government, each of the German Lander (states) has moved into promoting itself actively as a base for manufacturing industry, with American and

Japanese companies seen as the most promising source of new technologies and jobs. Among the attractions which the states are emphasising are West Germany's central position in Europe and the strength and size of its market. Low rates of inflation, the generally pro-

operates, and the sophisticated and comprehensive financial services on offer are other assets which are stressed. Some of the main features of the business environment which incoming investors will find are listed below.

business climate in which industry

Taxation

In West Germany, Federal, come under the administration of State Tax Offices (with some Federal supervision), municipal

ority only. The amount of a specific tax is 7 per cent. is determined by the local tax • Municipal Trade Tax. This offices on the basis of tax re- tax is calculated on the basis come tax, municipal trade tax ever, they are between 12 per pay the tax due each month. capital. When calculating in- parent company. For foreign business enter- come tax liabilities, municipal

business enterprises in the is levied in West Germany, come Tax paid on their part of

Income

DM

1,271

3.496

6,542

10.506

25,132

41,236

97,141

265,155

Taxable

annual

income

DM

10,000

20,000

30,000

40,000

50,000

70,000

100.000

200,000

500,000

It is levied on the net value (=sales price or import value, before VAT) of a transaction,

ted as business expenses.

● Value Added Tax (VAT). ● Corporate Income Tax. This Domestic shareholders receive a This Federal tax is payable on is a Federal tax. No state or personal income tax credit for sales and services rendered by municipal corporate income tax the 36 per cent Corporate In-

PERSONAL TAXATION

Marginal

Of importance to foreign business enterprises settling in West Germany are the double

tax rate

Income

tax

4,728

6.992

30,138

82,472

250,286

Single taxpayers

Average

tax rate

12.7

21.8

course of their activities in Ger- Companies subject to this tax state and municipal taxes are many and on the import of are those incorporated under levied. Federal and state taxes 'goods (export sales are exempt). German company law and German branches of companies incorporated under foreign law. Basis for the calculation is the

ings retained 56 per cent.

Married taxpayers filing joint returns

Average

tax rate

12.7

15.8

17.5

19.5

24.1

30.1

cipalities. Thus there is no taxes. The tax rate is 14 per the Corporate Income Tax Law duplicate jurisdiction. Each cent with the exception of cer- and the Income Tax Law (see form of taxation comes under tain goods and services (agri- below). Deductible are all ordithe administration of one auth- cultural and food products, nary and necessary business exbooks, etc.), on which the rate penses (including compensation of officers, but only 50 per cent of directors' fees). Non-deductible are some taxes (e.g., proturns or other information sub- of trade profits and trade capi- perty tax and the corporate inmitted by the taxpayers. Tax- tal. Tax rates differ between come tax itself), expenses conpayers who are subject to in- municipalities; generally, how- nected with exempt income, etc. • Short-term loans. It is also Exempt income includes e.g. possible to borrow amounts for . Guaranteed lending is the and general property tax are cent and 20 per cent on trade dividend payments from sub-fixed periods of one to 12 most usual instrument used by required to make quarterly pre- profits exceeding a certain sidiaries (shareholding 25 per months under short-term foreign firms to finance their payments: taxpayers subject to minimum and between 0.6 per cent or more), if redistributed arrangements, which are norm- substituties in Germany. value added tax file returns and cent and 0.8 per cent on trade to the shareholders of the The tax rate for earnings disprises. the following taxes are trade tax payments are deduc- tributed is 36 per cent, for earn-

> they have to include the gross of Germany. equal to the difference between received during a calendar year. ment areas defined by the their individual tax rate and This is defined as the total net Federal and state government, 36 per cent-or receive a tax receipts from one or more of and outlined in the so-called refund, if their individual tax Marginal rate is lower than 36 per cent. from (1) a trade or business, sist of the border zones between tax rate Dividend Withholding Tax From the cash dividends, another 25 per cent is withheld as prepayment against the personal income tax liabilities of the

> > shareholder.

Other Withholding Taxes. Some payments to non-residents (royalties, directors' fees, interest on certain kinds of bonds) are also subject to withholding taxes. Tax rates differ according to type of payment. • Personal Income Tax. This taxation agreements, providing relief from taxation. Agreements exist between the Federal also is a Federal tax. No State

the amount before Corporate i.e., persons who reside in the Preferential tax treatment is ance income. As a consequence, on at least for 6 months within a of investment.

the following sources: income "base plan." These areas con-(2) employment, (3) capital in- West and East Germany

ing tax table is then applied to per cent of capital expenditure. Years. Purchase of an existing plant • Investment subsidy — de- panded.

earnings distributed. However, levied in the Federal Republic Various incentives are offered closed down for at least six pending on the area where the to promote industrial develop- months or threatened by closure investment takes place subsidies amount of their dividends (i.e. The income of all residents- ment in certain weaker areas. qualifies for the same assist- ranging from 6.25 per cent to

Income Tax) in their taxable Federal Republic of Germany also available for some types expansion of manufacturing subsidies are treated as extratheir cash dividends, they only calendar year—is subject to this The Federal Republic is divi- if 15 per cent, or at least 50, able. pay a Personal Income Tax tax. Tax base is the income ded into 21 action or develop new jobs are created in addi- Depreciation. rationalisation of manufacturing plant. (Zonenrandgebiet) and other designated areas where ecopomic activity is significantly

> opment areas cover nearly 50 able for up to 10 per cent of minus expenses related directly per cent of West Germany and the cost of new depreciable . Reduced site prices. Munito the source of income in almost 30 per cent of its popu- fixed assets in defined areas, cipalities can make available Projects that qualify for capital and represents non- a system of subsidy operated establishment of manufac- assets for which grants are re- Exemption from real estate turing plant. Financing assist- ceived must be kept in the acquisitions tax. Available for ance can reach in total up to 25 establishment for at least three land on which business pre-

15 per cent are on offer. These plant. Assistance is available ordinary income and are tax-

tion to those already existing. zones special depreciation rates amounting to 40 per cent for buildings and 50 per cent for machinery (75 per cent in Berlin) are available, together with employment incentives and training grants.

 Loans and guarantees, Low interest rate loans are available in addition from each of the German states.

mises are to be built or ex-

Where will the new jobs come from? Germany is looking beyond its traditional homegrown engineering sector and is now mounting a major effort to attract investment from the the U.S. and Japan.

Incentives

Guide for would-be foreign investors

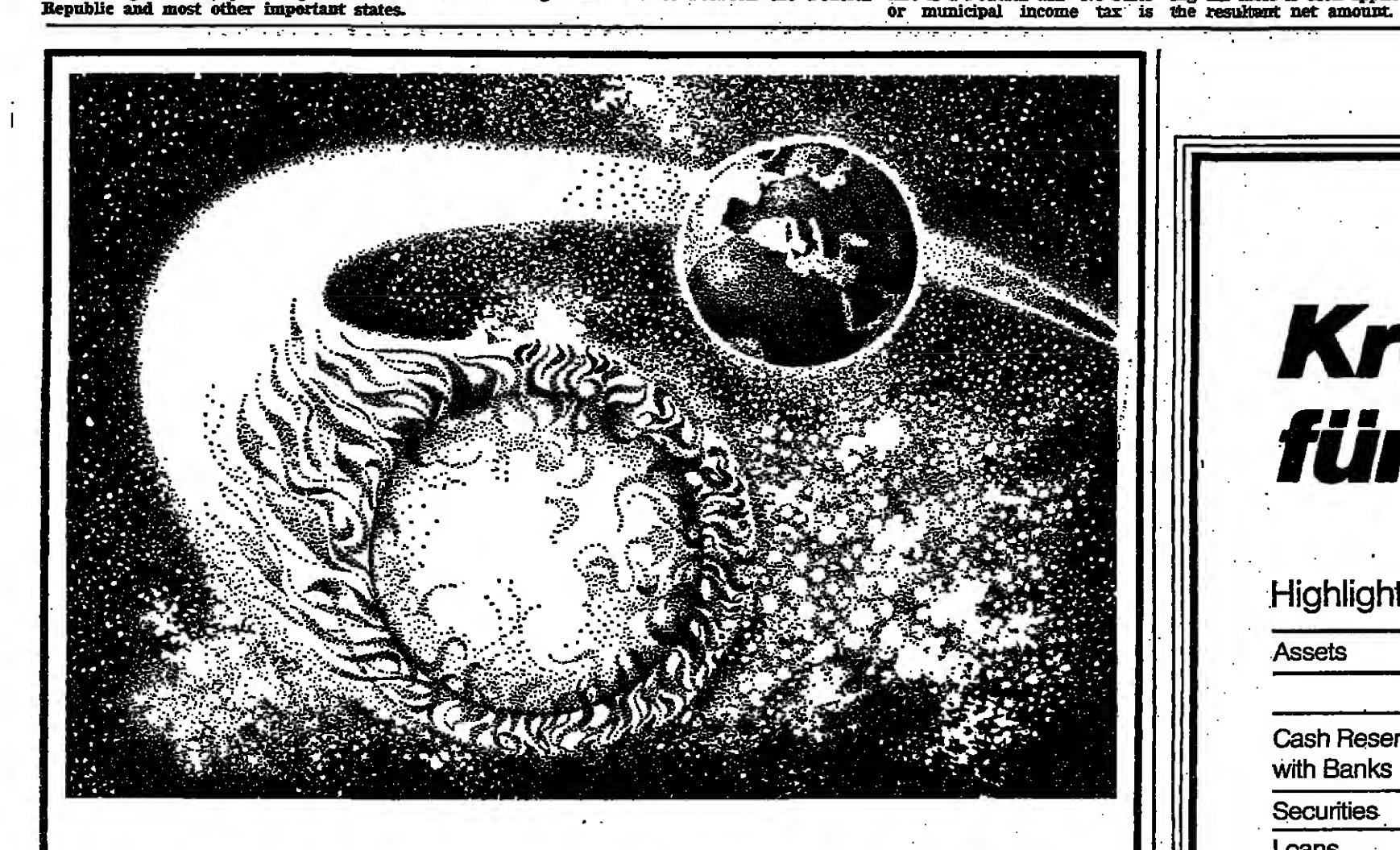
vestments, (4) rentals and leases, (5) professional and certain other services, (6) farming and forestry, (7) others. lated as follows: gross receipts, question (e.g. business expenses), minus certain personal expenses defined as deductible in the tax law (e.g. personal insurance premiums up to a certain limit). The accompany-

assistance include:—

• relocation of manufacturing plant in special cases. The main elements in the overall package of inducements

below that of West Germany as available are:-Total net receipts are calcu- a whole. The designated devel- Investment grants — availtaxable income, but movable by the states.

The grant is given as equity sites at reduced costs through



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Kreditanstalt für Wiederaufbau

Highlights from the Balance Sheet as at December 31 1982

Assets	DM million	Liabilities	DM million
Cash Reserves and Balanc		Banking Liabilities	52,173
with Banks	1,028	Promissory notes	550
Securities	815	Bonds	2,921
Loans	56,137	Provisions	150
Participations	154	Capital	1,000
Real estates and buildings	21	Reserves	1,626
Unpaid Capital	850	Loans on a trust basis	6,978
Loans on a trust basis	6,978	Other Liabilities	1,220
Other Assets	635		
Total Assets	66,618	Total Liabilities	66,618

We shall be pleased to send you on request a copy of the Annual Report for 1982 together with a summary of Kreditanstalt's activities.



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y August 30 1983



pending on the area where is in the ment takes place subsite ranging from 6.25 per cent? 15 per cent are on offer. The Subsidies are treated as en craining income and are m

and training grants • Lores and guarantees, In enterest rate loans are mi able in addition from each

Reduced site prices. He espolities can make make Sites at reduced costs three . a system of subudy open . by the states. • Exemption from real sta

- ಇಲಾಡಿಕಿಕೆ.

Jau

ber 31,1982

52.173 550

Depreciation. In both special depreciate rates amounting to 40 per or for buildings and 50 per & for markinery (75 per cent Berlin) are available, togge with employment incent

the German states

acquirellons tax. Available h : land on which busines p mises are to be built are



WEST GERMAN BANKING IX



entrepreneurs can get started is now a high priority. Increasing emphasis placed on entrepreneurial investment

market and an almost nonexistent venture capital sector the U.S. and Japan in micronose for the nation's industrial future. For example, Dr Walter feared that the same is happen-Scipp, the chief executive of Commerzbank, says: "We attach great importance to the pro-

Venture capital STEWART PLEMING

small companies in high technology sectors." The bank, he says, has begun an internal ingulary into how it could become more active in the field. Commerzbank is not alone in its growing concern about the venture capital situation. In recent years German political financial leaders have become more and more worried about the fact that the nation does not seem to be producing a new generation of entre-Nixdorf or Max Grundig, whose entrepreneuriai vision determination helped to lift the Federal Republic back into the position of industrial leadership

in Western Europe. In the opinion of many West as Siemens, for example, to

executives admit privately that West Germany is way believed electronics technology. It is ing in other new fields such as biotechnology.

According to Herr Herbert Wolf, head of the Commerzbank economics department, of the two principal elements at work, technical capacity and a favourable financial framework, it is the financial side which poses the biggest problem for the innovative entrepreneur. In part this reflects the inadequate profitability of West German industry, a subject which the Bundesbank, the central bank, has been hammering home so emphatically that Dr Helmut Schlesinger, the Bundesbank vice-president, recently found himself apologising to an audience of journalists for sounding like a lobbyist for German industry.

pendulum towards a redistribution of national income towards the corporate sector, a shift which it is hoped will create an environment in which more entrepreneurs will flourish. But if improved corporate

the profitability is seen as a neceseconomy badly needs another sary condition for a more entrepreneurial wave. The vigorous industrial sector, on failure of major companies such its own it may not be enough. The case of Herr Volker react quickly enough to the Dolch, the founder of Dolch rapid evolution of micro-elec- Logic instruments, one of the

BIG WEST GERMAN banks, tronics technology tends to world's four leading logic test- have been floated on institutions which dominate the confirm the judgment that in a ing equipment manufacturers, German stock markets. financial system and therefore period of rapid technical change is a case in point and one the availability of loan and reliance on industrial giants to which provides a searing equity finance for industry, are keep abreast of international critique of the West German under no filusions about the rivals is not enough. The result financial system. Herr Dolch, serious threat which the com- is that even electrical industry a German who has in seven years built up a company which is a leader in a field on the frontier of computer industry technology, was forced to go to the U.S. and float his company on the venture capital market there in order to get enough

Thurs, 8th

Sat. 17th Mon. 19th

OCTOBER

Tues. 11th

Fri. 9th Bermuda

Wed. 14th Portug Thurs. 15th Wales

Tues. 20th France

Fri. 16th Executive Cars

Finance and Investment

Wed. 21st Lebanon
Thurs. 22nd Danish Exports
Thurs. 22nd Business Books

Sat. 24th Italian Regions

Mon. 26th UK Banking Mon. 26th Jordan

Thurs. 29th West Berlin

Mon. 3rd Vehicle Rental

Egypt

Construction
Thurs. 6th Philadelphia,
Fri. 7th Enterprise Zones

Mon. 10th Software

Tues. 11th Metals

Wed 12th China

Fri. 14th Greece

Furnishing

Counties

Fri. 14th Rochdele

Fri. 30th UK Property

and investment

Frl. 23rd Vans and Light Trucks

Wed. 28th Defence Industries

Mon. 3rd Arab Banking, Finance

Wed. 5th Airport Planning and

Thurs, 13th Advertising Industry

Mon. 17th Office Equipping and

Wed. 19th The Motor Industry

Thurs. 20th Corporate Finance

Wed. 19th Frozen Foods

Mon. 24th West Germany

Mon. 24th Britain's Business

Wed, 26th Selby Coal Field Thurs, 27th Miami

Mon. 31st Dairy Industry

Mon. 31st Industrial Property

Tues. 1st Regional Development

Wed, 2nd Luxembourg Banking

Fri. 21st Brimingham

Tues. 25th Telecoms

Wed. Zith Aluminium

Cities: Bristol

Fri. 28th FT 500

Tues, 1st Texas

and Finance Thurs. 3rd Belgium

Fri. 4th industrial Boilers

Fri. 4th Foreign Exchange

NOVEMBER

Tues. 18th GLC and Metropolitan

Italian Engineering UK House-building

Norwegian Exports

Portugal

equity to grow.

In his view West German bankers are ignorant about and therefore afraid of lending to high tech companies such as his, whose principal assets are not buildings and equipment but ideas which need to grow rapidly to survive. German financial system puts minefields in the way of comnervous about their carefully burly of the venture capital

tax shelter funds take in around DM 4bn of private savings a market "-of which as much as three quarters goes into some form of property investment Now banks are realising just how damaging is this diversion of risk capital into tax shelters and are calling for changes almed at making productive

away from such

While the big banks carefully calculate their options, smaller firms are sprouting up, firms such as Portfolio Manage-It is not just the big West ment in Munich, or Genes in German commercial banks like Cologne, bent on taking a lead Deutsche Bank which are too in developing the venture capital market or fostering the polished reputations to risk flotzetion of new firms on the getting involved in the burly equity market. The change in market. These big banks and which many entrepreneurs have banks, are even reluctant to float companies on ship of companies are factors coalition headed by Dr Helmut the West German stock market which, it is argued, mean that Kohl is widely seen as clearing in case an issue flops. In the venture capital is an idea whose the way for a swing in the past two and a half years only time has come in the Federal

FINANCIAL TIMES 1983 SURVEYS PROGRAMME



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Some figures on our performance in 1981/82:

•	1981	1982
 Balance sheet total: Due from customers: Due to customers: Reserve funds: 	DM 5,24 billion DM 5,77 billion	DM 8,17 billion DM 5,61 billion DM 6,14 billion DM 0,31 billion

Members of the Board of Managing Directors: Senator a. D. Rolf Speckmann Friedrich Rebers Dr. jur. Heinrich Frick Ulrich Nölle

Manager, International Division: Gerhard Puschmann

Die Sparkasse in Bremen

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Mon. 7th Australia Mon. 7th Botswana Thurs, 1st Four Wheel Drive Tues, 8th Swiss Banking, Finance Fri. 2nd Isle of Man Mon. 5th Reinsurance Tues. 6th Switzerland Tues. 8th Accountancy Wed. 7th Yugoslavia

Wed. 9th Britain's Business Cities: Manchester Wed. 9th International Fund Management Mon. 12th Hong Kong Tues. 13th Netherlands Banking, Thurs, 10th Yugoslav Trade and Wed. 14th Magnus Oil Field

Frl. 11th Property along the M4 Coins and Stamps Commercial Vehicles Portuguese Industry Tues. 15th Singapore
Tues. 15th London's Airports Wed. 16th Sweden
Wed. 16th International Health Care and Hospitals Communications

Mon. 21st Netherlands Mos. 21st Energy File: Coal Technology Tues, 22nd Brazil Tues. 22nd Joint European Torus Wed. 23rd Building Management Wed. 23rd Andalucia

Fri. 18th Retail Property

Thurs, 24th Barbados Fri. 25th Manufacturing Automation Fri. 25th Leicestershire Christmas Books Mon. 28th Nigeria Yues. 29th Nigeria Wed. 30th United Arab Emirates

Thurs, 1st East West Trade Fri. 2nd French Banking Fri. 2nd Mid Glamorgan Mon, 5th Europe Tues. 6th: Japanese Industry Wed. 7th International Thurs. 8th Nordic Banking Fri. 9th Cumbriz Fri. 9th Grenada Mon. 12th Energy Management

Mon. 12th Spain
Tues. 13th Business Information Systems Tues. 13th Colombia Wed. 14th Scotland Wed. 14th Italian Banking. Finance and investment

Thurs. 15th Canadian Banking Thurs. 15th Cable and Satellite Television Fri. 16th Nottinghamshire Mon. 19th Turkish Industry Tues. 20th European Small

The timing of surveys is subject to change. Synopses giving provisional details of the articles which will appear in the surveys listed can be obtained by writing to FT Survey Synopses, Room 512, Bracken House. Cannon Street, London EC4P 48Y. Editorial information for surveys should be sent in writing to FT Surveys Department at the above



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WEST GERMAN BANKING X

Deutsche Bank heads field of lead-managers

Eurobond issuing banks

MARY ANN SIEGHART

one German bank stands head and shoulders above the rest. Deutsche Bank is not only the

league tables for bonds of all

currencies. Figures for 1982 show that. taking into account public issues only, Deutsche Bank launched \$4.87bn compared to CSFB's \$7.02bn. No other German bank came in the top ten. So far this year Deutsche Bank has managed to retain its second place but other German banks are creeping up the table. Commerzbank, Dresdner Bank and Westdeutsche Landesbank (WestLB) are now in the

Deutsche Bank has two advantages: its placing power is thought to be greater than the others and its lead-management is widely regarded as authoritative and effective. Probably for these reasons it quite often lead-manages Eurodollar as well as D-mark bonds.

top ten too.

When the European Economic Community did its huge fund-raising operation in June on behalf of France, for instance. Deutsche was chosen to lead the \$350m Eurodollar

Not all is rosy at Deutsche bank was scheduled to lead

Bank, however. It is thought that morale has been low in the new issues department, headed by Karl Miesel, a director of the bank. Rumour has it that thought their importance was not appreciated enough by top management and that, possibly. they were badly paid compared with other bankers in similar

Earlier this year Freidrich Hoyos, who worked under biggest issuer of such bonds in Miesel on the syndication side, the D-Mark sector but also resigned for health reasons." It was claimed at the time that Suisse/First Boston in the he was to return after about six months but market sources suggest this is unlikely.

> Next in the new issue hierarchy come Commerzbank and Dresdner Bank. So far this year Commerzbank has led more issues than Dresdner; both deal almost entirely in the D-mark

> Exceptions are the three fundraising exercises of \$100m each which Commerzbank undertook op its own behalf in the Eurodollar sector in January, March and May of this year. The May bond also carried warrants to Commerzbank bearer

dollar deal earlier this year. The \$100m bond, which came out in March, carried an 11 per cent coupon for seven years at par. It had to support the issue so heavily in the market, though, to stop it falling to a heavy discount that it ended up holding more than \$65m of the

In the new issue calendar for the end of August and begin- joined the Eurobond musical furter Bank (BHF). All have

6month Euro D-Mark interest rate 6.0%

Deutsche Bank running only

This does not imply, however, that Commerzbank is about to usurp Deutsche in the German market. Two of the deals-for Arab Banking Corporation and Indonesia—are linked by a swap arranged by Commerz- management consultants. The ment schedule.

In terms of new issue volume WestLB is next on the list. It led issues for such sovereign borrowers as the Republic of Austria and the Kingdom of Denmark.

But neither has WestLB been Peter Ganschinletz. when he left to join Bear, this year.

While the dollar remains

strong, however, the perform-

London. Albrecht Nicolaus, another WestLB senior executive. These moves came just as WestLB was preparing to imple-

ment a major reorganisation resulting from a study by McKinsey and Co, the U.S. bank, which explains its reorganisation involved merging heavier-than-usual lead-manage- two departments of the bank foreign bond trading and international institutional invest-

ment-into one. Finally, three other banks are involved in new issuing activity in the D-Mark sector, though their exposure is less than that of the top four.

Bayerische Vereinsbank and Berliner Handels-und Frankning of September Commerz- chairs game last December led fewer than ten issues so far

market rallies, so should the

D-mark sector. Meanwhile,

relieved to see investors return-

ing from their summer holidays.

Some complained in August that retail business had come to

a virtual standstill.

German bankers will at least be

Market drifts back into doldrums

EUROBONDS denominated in year increase in prices of range, which may cause the D-marks have had a hard time around 3 per cent. If inflation Bundesbank to tighten monein the past few months. After a remains under control, the bumper year in 1982 the market Bundesbank should be willing to keep its Lombard rate low. is back in the doldrums.

Several factors account for However, there have been ance of the German Eurobond this but most important to the ominous signs of rises in the market is really in the hands of German Eurobond market are money supply outside the target New York. If the U.S. Treasury the strength of the U.S. dollar and the performance of the U.S. domestic bond market. The two are interlinked. Only at times of a particularly strong D-mark and correspondingly heavy inflows of foreign capital has the "decoupling" of the markets been possible.

With a strong or strengthen-ing dollar, funds tend to flow out of Germany and into the U.S., especially when interest rate differentials work in favour of dollar-denominated investments, as is currently the case.

Between June and August, he "benchmark" long the "benchmark" long Treasury bond in the U.S. fell an astonishing 14 points, bring-ing the D-mark market down with it. At the same time the U.S. dollar rose from just over DM 2.50 to more than DM 2.70. These two influences combined to depress the market and raise yields.

There have been other problems. Since the beginning of the year new issue managers in Germany have noticed an out

DM Eurobonds

MARY ANN SIEGHART

flow of funds from the bond market into equities. Thus convertible and equity warrant bonds have been popular but straight bonds have suffered. Unfortunately the new issue calendar, until August, seemed not to take account of these factors. In May, for instance, over DM 1.5bn of issues were scheduled and in June DM 1.9bn. By July the market just could not digest the DM 1.36bn of new issues scheduled and most of them fell to discounts way outside their selling concession.

This oversupply was causing problems in the market, so the August calendar was a welcome relief. The calendar-makers gave the market a rest for two whole weeks and the total only came to DM 750m.

Interest rates in Germany have been reduced more quickly and by a larger amount than those in other major financial markets. Between the autumn of 1981 and May this year bond yields came down from nearly 12 per cent to 7.7 per cent. And

with U.S. interest rates still so high, Germany seems to have gone too far too quickly.

Seeing how short-term rates have risen since then (see chart), it is not surprising that the market was in for a bit of a correction. By the middle of the summer issues were being launched with coupons as high as 84 per cent. as 81 per cent. The outlook, on the other

hand, must be relatively optimistic. Some investors are beginning to believe that the equity market has reached its peak, so funds may flow back into the bond markets, which are showing historically high real rates of return.

They might also be en-couraged by inflation figures, which currently show a year-on-

tary conditions.

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